UNITED
NATIONS

S

Security Council

Distr.
GENERAL

S/1998/640
14 July 1998

ORIGINAL: ENGLISH

LETTER DATED 8 JULY 1998 FROM THE SECRETARY-GENERAL ADDRESSED TO THE PRESIDENT OF THE SECURITY COUNCIL

I have the honour to refer to resolution 955 (1994) of 8 November 1994, by which the Security Council established an International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States, between 1 January 1994 and 31 December 1994 (hereinafter referred to as "the International Tribunal for Rwanda"). I also have the honour to refer to Security Council resolution 1165 (1998) of 30 April 1998, by which the Council established a third Trial Chamber of the International Tribunal for Rwanda.

Article 12 of the statute of the International Tribunal for Rwanda, as amended by Security Council resolution 1165 (1998), provides as follows:

"Qualification and election of judges

"1. The judges shall be persons of high moral character, impartiality and integrity who possess the qualifications required in their respective countries for appointment to the highest judicial offices. In the overall composition of the Chambers due account shall be taken of the experience of the judges in criminal law, international law, including international humanitarian law, and human rights law.

"2. The members of the Appeals Chamber of the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991 (hereinafter referred to as 'the International Tribunal for the Former Yugoslavia') shall also serve as the members of the Appeals Chamber of the International Tribunal for Rwanda.

"3. The judges of the Trial Chambers of the International Tribunal for Rwanda shall be elected by the General Assembly from a list submitted by the Security Council, in the following manner:

98-20608 (E) 140798

"(a) The Secretary-General shall invite nominations for judges of the Trial Chambers from States Members of the United Nations and non-member States maintaining permanent observer missions at United Nations Headquarters;

"(b) Within thirty days of the date of the invitation of the Secretary-General, each State may nominate up to two candidates meeting the qualifications set out in paragraph 1 above, no two of whom shall be of the same nationality and neither of whom shall be of the same nationality as any judge on the Appeals Chamber;

"(c) The Secretary-General shall forward the nominations received to the Security Council. From the nominations received, the Security Council shall establish a list of not less than eighteen and not more than twenty-seven candidates, taking due account of adequate representation on the International Tribunal for Rwanda of the principal legal systems of the world;

"(d) The President of the Security Council shall transmit the list of candidates to the President of the General Assembly. From that list, the General Assembly shall elect the nine judges of the Trial Chambers. The candidates who receive an absolute majority of the votes of the States Members of the United Nations and of the non-member States maintaining permanent observer missions at United Nations Headquarters shall be declared elected. Should two candidates of the same nationality obtain the required majority vote, the one who received the higher number of votes shall be considered elected.

"4. In the event of a vacancy in the Trial Chambers, after consultation with the Presidents of the Security Council and the General Assembly, the Secretary-General shall appoint a person meeting the qualifications of paragraph 1 above, for the remainder of the term of office concerned.

"5. The judges of the Trial Chambers shall be elected for a term of four years. The terms and conditions of service shall be those of the judges of the International Tribunal for the Former Yugoslavia. They shall be eligible for re-election."

On 24 and 25 May 1995, the General Assembly elected the following six persons as judges of the International Tribunal for Rwanda, for terms of office to expire on 24 May 1999:

Mr. Laity Kama (Senegal)

Mr. Lennart Aspergren (Sweden)

Mr. T. H. Khan (Bangladesh)

Mr. Yakov Ostrovsky (Russian Federation)

Ms. Navanethem Pillay (South Africa)

Mr. William Sekule (United Republic of Tanzania).

In resolution 1165 (1998) establishing a third Trial Chamber of the International Tribunal for Rwanda, the Security Council decided that the elections for that third Trial Chamber and for the other two Trial Chambers shall be held together. The Security Council also decided in that resolution that the terms of office of all judges elected in those elections shall expire on 24 May 2003. The Security Council further decided in that resolution, as an exceptional measure to enable the third Trial Chamber to begin to function at the earliest possible date, that three newly elected judges, designated by the Secretary-General in consultation with the President of the International Tribunal and in compliance with the requirement that none of them shall be of the same nationality as a judge who is currently serving on the Tribunal, shall commence their terms of office as soon as possible following the elections. The other judges shall commence their terms of office, or, if they are judges who are currently serving on the Tribunal and are re-elected, commence their new terms of office on 25 May 1999.

Pursuant to paragraph 3 (a) of article 12 of the statute of the International Tribunal for Rwanda, States Members of the United Nations and non-member States maintaining permanent observer missions at United Nations Headquarters were invited, by a letter dated 4 June 1998, to submit nominations for the nine judges of the three Trial Chambers of the International Tribunal for Rwanda and were informed that, within thirty days of the date of that letter, they might nominate up to two candidates meeting the qualifications set out in paragraph 1 of article 12 of the Tribunal's statute. They were also informed that, in accordance with paragraph 3 (b) of article 12 of the statute, no two of the candidates so nominated might be of the same nationality and that no candidate so nominated might be of the same nationality as any judge on the Appeals Chamber. The Appeals Chamber currently comprises judges who are nationals of China, Colombia, Guyana, Malaysia and the United States of America. Accordingly, nationals of those countries may not be nominated as candidates for judges of the International Tribunal for Rwanda.

I would take this opportunity to note that, pursuant to paragraph 5 of article 12 of the statute, the judges of the International Tribunal for Rwanda are to serve on a full-time basis and so may not engage in any other occupation of a professional nature during their terms of office. Once elected to the Tribunal, they are expected to take up residence at its seat in Arusha, Tanzania.

Pursuant to paragraph 3 of article 12 of the statute of the International Tribunal for Rwanda, I have the honour herewith to forward to the Security Council the five nominations which have been received from States Members of the United Nations within the thirty-day period specified in paragraph 3 (b) of article 12 of that statute. The list of candidates, in alphabetical order, is annexed to this letter, together with the curricula vitae provided in connection with their nominations.

In this connection, I would draw the attention of the Security Council to paragraph 3 (c) of article 12 of the statute, which provides in relevant part as follows: "From the nominations received, the Security Council shall establish a list of not less than eighteen and not more than twenty-seven candidates, taking

due account of adequate representation on the International Tribunal for Rwanda of the principal legal systems of the world".

I would note that the list of five candidates is short of the minimum number of eighteen which is required by paragraph 3 (c) of article 12 of the statute. I would accordingly suggest that the Council extend the deadline for nominations until 4 August 1998, which deadline would coincide with the deadline for nominations for judges of the International Criminal Tribunal for the Former Yugoslavia. If the Security Council were so to extend the deadline, the Secretary-General would notify States Members of the United Nations and non-member States maintaining permanent observer missions at United Nations Headquarters accordingly.

(Signed) Kofi A. ANNAN

Annex

List of candidates nominated by Governments

(in alphabetical order)

Number	Name	Nationality	Nominated by Government of
1.	Mr. Laity Kama	Senegalese	Senegal
2.	Mr. Yakov Ostrovsky	Russian	Russian Federation
3.	Ms. Navanethem Pillay	South African	South Africa
4.	Ms. Indira Rana	Nepali	Nepal
5.	Mr. William Sekule	Tanzanian	United Republic of Tanzania

UNITED NATIONS **S**

Security Council

Distr.
GENERAL

S/1998/641
14 July 1998

ORIGINAL: ENGLISH

LETTER DATED 13 JULY 1998 FROM THE CHARGE D'AFFAIRES A.I. OF THE PERMANENT MISSION OF THE ISLAMIC REPUBLIC OF IRAN TO THE UNITED NATIONS ADDRESSED TO THE SECRETARY-GENERAL

Upon instructions from my Government, I have the honour to transmit herewith the English translation of note verbale of 14 June 1998 from the Ministry of Foreign Affairs of the Islamic Republic of Iran to the Embassy of the Republic of Iraq in Tehran.

It would be highly appreciated if this letter were circulated as a document of the Security Council.

(Signed) Mehdi DANESH-YAZDI
Ambassador
Chargé d'affaires a.i.

98-20590 (E) 140798

/...

Annex

Note verbale dated 14 June 1998 from the Ministry of Foreign Affairs of the Islamic Republic of Iran to the Embassy of the Republic of Iraq in Tehran

The Ministry of Foreign Affairs of the Islamic Republic of Iran presents its compliments to the Embassy of the Republic of Iraq in Tehran and has the honour to state the following.

Relevant Iranian border authorities have reported that on 23 November 1997, at 1700 hours, an Iranian fishing boat belonging to Mr. Abd-Al Nabi Kazemi was threatened and intercepted by an Iraqi tugboat equipped with a machine-gun at the mouth of Shatt-Al Arab. The Iraqi crew took an Iranian crew member, Mohammad Shahinian, inside the Iraqi tugboat, stole the wrist watches of the crew, looted the foodstuffs in the boat and then released the Iranian fisherman and fled the scene.

The Islamic Republic of Iran registers its vigorous objection to such acts and requests the Government of that Embassy to take necessary measures to prevent the recurrence of such acts, which contravene the principle of good-neighbourly relations and international norms.

UNITED NATIONS **S**

Security Council

Distr.
GENERAL

S/1998/642
15 July 1998
ENGLISH
ORIGINAL: ENGLISH, FRENCH AND RUSSIAN

France, Germany, Italy, Japan, Portugal, Russian Federation, Slovenia, Sweden, United Kingdom of Great Britain and Northern Ireland and United States of America: draft resolution

The Security Council,

Recalling all its earlier relevant resolutions, in particular its resolutions 779 (1992) of 6 October 1992, 981 (1995) of 31 March 1995 and 1147 (1998) of 13 January 1998,

Having considered the report of the Secretary-General of 26 June 1998 (S/1998/578) and noting the positive assessment in the Secretary-General's report of recent developments, including the initiative by the Republic of Croatia (S/1998/533, Annex) for a final resolution of the disputed issue of Previaka,

Noting also the proposal by the Federal Republic of Yugoslavia (S/1998/632, Annex), on the permanent settlement of the disputed issue of Prevlaka,

Reaffirming once again its commitment to the independence, sovereignty and territorial integrity of the Republic of Croatia within its internationally recognized borders,

Noting again the Joint Declaration signed at Geneva on 30 September 1992 by the Presidents of the Republic of Croatia and the Federal Republic of Yugoslavia, in particular Article 3, which reaffirmed their agreement concerning the demilitarization of the Prevlaka peninsula, and emphasizing the contribution that this demilitarization has made to the decrease of tension in the region,

Concerned, however, at the continued long-standing violations of the demilitarization regime in the United Nations designated zones in the region and the failure of the parties to improve their compliance with the demilitarization regime as recommended by the United Nations Mission of Observers in Prevlaka, including important demining activities within the demilitarized area, and by continued restrictions on the freedom of movement of its personnel within their area of responsibility,

Recalling the Agreement on Normalization of Relations between the Republic of Croatia and the Federal Republic of Yugoslavia signed in Belgrade on 23 August 1996 (S/1996/706, Annex), committing the parties to settle peacefully the disputed issue of Prevlaka by negotiations in the spirit of the Charter of the United Nations and good-neighbourly relations, and deeply concerned at the lack of significant progress towards such a settlement,

Noting that the presence of the United Nations military observers continues to be essential to maintain conditions that are conducive to a negotiated settlement of the disputed issue of Prevlaka,

1. Authorizes the United Nations military observers to continue monitoring the demilitarization of the Prevlaka peninsula, in accordance with resolutions 779 (1992) and 981 (1995) and paragraphs 19 and 20 of the report of the Secretary-General of 13 December 1995 (S/1995/1028*), until 15 January 1999;

2. Calls upon the parties to take further steps to reduce tension and improve safety and security in the area;

3. Reiterates its call upon the parties to cease all violations of the demilitarization regime in the United Nations designated zones, to cooperate fully with the United Nations military observers and to ensure their safety and full and unrestricted freedom of movement, and calls upon them to complete promptly the demining of the area;

4. Urges the parties to abide by their mutual commitments and to implement fully the Agreement on Normalization of Relations between the Republic of Croatia and the Federal Republic of Yugoslavia of 23 August 1996, in particular their commitment to reach a negotiated resolution of the disputed issue of Prevlaka in accordance with article 4 of the Agreement, and calls upon them to engage promptly and constructively in negotiations;

5. Requests the Secretary-General to submit to the Council by 15 October 1998 a report on the situation in the Prevlaka peninsula and in particular on progress made by the Republic of Croatia and the Federal Republic of Yugoslavia towards a settlement which would peacefully resolve their differences, and in this context on the possible adaptation of the United Nations Mission of Observers in Prevlaka;

6. Requests the United Nations military observers and the multinational stabilization force authorized by the Council in resolution 1088 (1996) of 12 December 1996 and extended by resolution 1174 (1998) of 15 June 1998 to cooperate fully with each other;

7. Decides to remain seized of the matter.

UNITED
NATIONS

S

Security Council

Distr.
GENERAL

S/1998/643
14 July 1998

ORIGINAL: ENGLISH

LETTER DATED 14 JULY 1998 FROM THE SECRETARY-GENERAL ADDRESSED TO THE PRESIDENT OF THE SECURITY COUNCIL

I have the honour to transmit to you herewith a letter dated 14 July 1998 from the High Representative for Implementation of the Peace Agreement on Bosnia and Herzegovina (see annex).

I should be grateful if you would bring this letter to the attention of the members of the Security Council.

(Signed) Kofi A. ANNAN

98-20630 (E) 160798

/...

Annex

Letter dated 14 July 1998 from the High Representative for Implementation of the Peace Agreement on Bosnia and Herzegovina addressed to the Secretary-General

I am sending herewith my report for implementation of the Peace Agreement on Bosnia and Herzegovina for the months of April to June 1998. I will be presenting the report to the Security Council on 27 July and hope to be able to meet with you on that day.

(Signed) Carlos WESTENDORP

Appendix

Report of the High Representative for Implementation of the Peace Agreement on Bosnia and Herzegovina for the months of April to June 1998

I. INTRODUCTION

1. By its resolution 1112 of 12 June 1997, the Security Council endorsed my appointment as High Representative and reaffirmed the importance of the role of the High Representative "in monitoring the implementation of the Peace Agreement and giving guidance to and co-ordinating the activities of the civilian organisations and agencies involved in assisting the parties to implement the Peace Agreement" in Bosnia and Herzegovina.

2. Pursuant to Security Council Resolution 1031 of 15 December 1995, in which it requested the Secretary General to submit reports from the High Representative in accordance with Annex 10 of the Peace Agreement and the Conclusions of the London Peace Implementation Conference of 8-9 December 1995, I herewith present the tenth report to the Council.

3. The Report covers the activities of the Office of the High Representative and developments in the areas listed below during the period from the beginning of April 1998 to the end of June 1998.

II. INSTITUTIONAL ASPECTS

Office of the High Representative

4. The period under review has seen substantial progress. This includes the consolidation of the position of the Government in the RS, the emergence of greater pluralism in both Entities, and improvement in the economic situation across the country. By the end of the reporting period, one half of the persons indicted for war crimes by the ICTY were in custody; cooperation by Entity justice sectors with the ICTY improved; the results of last September's elections had been implemented in all but one of the 136 municipalities; an MOU on the restructuring of RTV BiH had been signed. Minority returns have started in earnest and there is progress on property legislation. The Konvertible Marka has been introduced, new legislation on privatization adopted by the Council of Ministers, and legislation on foreign investment and State and Entity budgets passed; and an IMF standby agreement has been reached. Common license plates are now the norm rather than the exception on vehicles throughout the country. The Coat of Arms has been introduced.

5. But almost all progress has required continued and intensive efforts from the international community and in several cases I have had to resort to making interim binding decisions in accordance with my authority under Annex 10 of the Peace Agreement. A crucial moment in the peace implementation process has now been reached. As we approach the end of the

consolidation period, the progress made thus far, although substantial, is still not irreversible. Civilian peace implementation in BiH cannot yet proceed without continued international military support. Progress itself generates resistance from hardline nationalists, who see their power on the wane and their influence diminishing. The continued presence of SFOR remains vital to the preservation of the secure environment in which nation-building can take place. I welcome NATO' s and the UN's decision to extend SFOR's mission. The situation in nearby Kosovo, meanwhile, gives additional cause for concern; naturally it is one which I and other agencies in theater are watching closely.

6. Two and a half years on from Dayton, the great prize of a sustainable peace is within sight - if the international community is willing to see the task through to the end. It is critical also that Bosnia and Herzegovina now start to take responsibility for its own future and prepare to make its own way in the world. The present degree of international support will not last for ever, and is now at its peak. Bosnia's leaders should exploit the window provided by it, and by the recently extended international military presence, to build their country based on effective political institutions and a free market economy.

7. Now is the time for the all the authorities in Bosnia and Herzegovina to act in accordance with all aspects of the Peace Agreement and to implement the commitments they undertook at Dayton: building viable institutions; promotion of democracy; protection of human rights and the rule of law; reform of the educational system; economic recovery; reconciliation and the return process.

8. The September 1998 elections are a vital opportunity for the people of Bosnia and Herzegovina themselves to express their own wishes about the future of their country; to examine the record of their elected leaders and to judge them on it; and to elect those candidates ready to display the leadership and make the difficult compromises necessary to create a lasting peace, and allow Bosnia and Herzegovina to take its rightful place in Europe.

9. I and my Office press on with our task of civilian implementation. My regional Offices in Mostar, Tuzla, Brcko and Banja Luka continue to promote regional co-ordination and monitoring of the situation on the ground and to facilitate contacts at a local level, assisting inter-Entity co-operation. Given the positive developments in the RS I intend to reinforce further the regional office in Banja Luka.

10. During the period described the termination of assignments of the majority of international staff seconded to my Office by the respective Governments resulted in a substantial turn over of personnel. The capacity of my Office to maintain its effectiveness depends on the continued willingness of Governments to maintain their current level of commitment. I am grateful to the Governments which have replaced or extended the terms of duty of secondees and hope that a steady contribution in this regard will be maintained.

Peace Implementation Council

11. The Steering Board of the Peace Implementation Council (PIC) has continued to meet on a regular basis at the level of Political Directors of respective Foreign Ministries. I have also continued to convene weekly meetings of the Board at ambassadorial level in Sarajevo. The meeting held in Sarajevo on 29 April dealt with refugee return, financial aid to the Republika Srpska and the September elections. A meeting of Foreign Ministers of the Steering Board of the

Peace Implementation Council took place in Luxembourg on 9 June and set out concrete requirements for the acceleration of peace implementation for the remainder of 1998, including a clear plan of action to review and track progress in meeting specific goals. The Conclusions of the Luxembourg meeting have been distributed as a Security Council document. They highlight the following peace implementation priorities for the remainder of 1998:

- The acceleration of refugee and displaced person returns in a phased and orderly manner in accordance with the Peace Agreement.
- Police and judicial reform.
- The acceleration of economic reintegration and reform.
- Free and fair nation-wide elections in September.
- The implementation of the High Representative's media strategy.
- The strengthening of governmental institutions at all levels.

A full meeting of the Foreign Ministers of the Peace Implementation Council will be held in Madrid in December 1998.

III. COORDINATION OF CIVILIAN IMPLEMENTATION

Overall Co-ordination

12. I have continued extensive consultations with representatives of governments and organisations at different levels. On 11 May, I met senior UN officials in New York and on the same day reported to the members of the Security Council on progress in peace implementation. I have also had meetings with the Secretary General of NATO.

13. Regular discussions with the Principals in Sarajevo have been maintained. These consultations, with participation of the Special Representative of the UN Secretary General, the UN IPTF Commissioner, the UNHCR Special Envoy, COMSFOR and the OSCE Head of Mission, continue to be very useful and I intend to maintain them.

14. The Economic Task Force (ETF), which meets under my chairmanship, remains the main body for co-ordinating economic reform policies and international reconstruction assistance. The ETF brings together key donors in the international community and from my Office to discuss economic policy issues in a timely and coordinated fashion.

15. The Refugee Return Task Force (RRTF) structure requested by the Bonn PIC is now fully operational. A Central Secretariat has been established, and a further local office was opened in Derventa on 26 June. The RRTF's Action Plan was endorsed by the Donor Conference held in Brussels on 7/8 May. Following the Ministerial meeting in Luxembourg on 9 June the RRTF has been required to strengthen its links with neighbouring countries in the region. An initial planning meeting with representatives of UNHCR and OSCE from Bosnia and Herzegovina and Croatia was held in Sarajevo on 16 June.

16. Cooperation with, and coordination of international organizations has been greatly enhanced by the creation of the Inter Agency Planning Group, chaired by a senior representative of my Office. This body, by bringing together military and civilian organizations on a weekly basis, has allowed rapid and responsive planning to take place in a rapidly changing environment. The

active involvement of SFOR in this group has ensured that the political/military cooperation on which successful implementation depends has been further strengthened.

17. The members of the Human Rights Task Force have continued to work to address the priorities set for 1998, both individually and through the work of the Human Rights Coordination Center and its Steering Board.

Common Institutions of Bosnia and Herzegovina

18. The Presidency, the Council of Ministers and the Parliamentary Assembly have continued to meet regularly in the last months. Although the efficiency of their work continues to be hampered by insufficient political cooperation among the officials, there has been progress in institution - building.

19. On 12 June, the former Parliament Building in Sarajevo, partially renovated with financial contributions from the European Commission and the World Bank, was officially opened as the seat of the common institutions. The common services of the Council of Ministers moved into the building which should house, after the September elections, the plenary meetings of the common institutions and part of their administrations.

20. In the reporting period, the Presidency held few working sessions, but met frequently with high-ranking international delegations. Decisions of note were the approval of the proposal by my Office to establish a permanent location for common institutions at the former Parliament Building in Sarajevo (24 April) and the liquidation of the National Bank of Bosnia and Herzegovina (28 May).

21. The Council of Ministers meetings during this period have been increasingly focused and professional. The main overall emphasis was on the continued implementation of the Council of Ministers Law, through proper staffing and establishment of the Ministries consistent with their new organizational plans. The Council has benefited greatly from the assistance of its new International Coordinator, who has worked closely with the Chairs to rationalize procedures, hire staff, and finalize the move of the Council's Services into their new offices. As these improvements proceed, the Council's effectiveness and efficiency should also increase. Other important issues dealt with by the Council are the implementation of the Law on Travel Documents and the adoption of the draft Law on Privatization.

22. At its eighth session on 27 April, the Parliamentary Assembly adopted the State Budget for 1998 and established a Commission to investigate Inter - Entity Crime and Corruption. At its ninth session on 18 May, the Assembly adopted the Law on Foreign Investments which I had previously put into force on an interim basis.

23. It failed, however, to adopt the law on the Coat of Arms of Bosnia and Herzegovina. As a consequence, I decided to enforce the Law on Coat of Arms on an interim basis. The new Coat of Arms follows the design of the flag.

24. In its session held on 5 June 1998 the Constitutional Court laid down two decisions in respect of appeals in cases decided by the Human Rights Chamber of Bosnia and Herzegovina and a decision on the right of one of the Co-Chairs of the BiH-Council of Ministers to initiate proceedings before the court. The judges are working with efficiency and professionalism. They

agreed by consensus to extend the mandate of the first President of the Court in order to continue the process of bringing the Court to full operational capacity. A serious obstacle, however, is the failure of the BiH-authorities to make adequate resources available to the Court. The next session will be held on 14 October, 1998.

25. Since my last report, the Standing Committee for Military Matters (SCMM) has held its sixth and seventh sessions. Progress has been made on a proposal to allow cross-IEBL helicopter flights for VIPs and the Secretariat has worked up a new six month program for approval at the next meeting. Regrettably the issue of Defense Attaches has had to be passed to the Presidency after an agreed compromise was derailed by Bosniac withdrawal of consent. Within the Secretariat itself, considerable progress has been made towards self-sufficiency, with the chair being handed from my SCMM Coordinator to the advisor of the presiding Member of the Presidency. Also, pending the move of the institutions to the former Parliament Building, Secretariat meetings have moved from the neutral ground of my offices to other locations in BH. So far meetings have been held in Pale, Novi Travnik and Tuzla, and have all been characterized by a positive and businesslike atmosphere.

Essential Legislation

26. My Office is now preparing a list of basic legislation, which will help entrench the rule of law, as envisaged in paragraph 109 of the Luxembourg Conclusions.

27. The work on drafting laws on various subjects is proceeding well. A draft Telecommunications Law was agreed upon and the draft signed by all participants, representing both the state and the Entities and all constituent peoples, at a workshop held in Geneva in early July, sponsored by the ITU, EBRD and my Office. The draft will be forwarded to the Council of Ministers very soon. The draft Immigration Law is also ready, and has been discussed with the Ministers concerned. This draft will be sent to the Council of Ministers very shortly. The Aviation Act is very near completion. As for citizenship legislation, the Citizenship Law of the Federation of Bosnia and Herzegovina has been discussed at several meetings and a draft is completed. We hope to start work soon together with the Council of Europe to assist Republika Srpska to develop their citizenship law.

28. My Office is studying with experts of the Venice Commission different aspects of the constitutional provisions in respect of the election of the presidencies in Bosnia and Herzegovina as well as in the Federation of Bosnia and Herzegovina, which will be an essential part of the permanent electoral law. A working group including domestic and international experts shall then draft the final version on the basis of the proposal from my Office.

29. An Independent Media Commission (IMC) was established, continuing our efforts to ensure the principles of objectivity, transparency, non-discrimination and proportionality in the media.

30. The role of the IMC is to establish a regulatory regime for broadcasters and other media in Bosnia and Herzegovina. The IMC will work to promote pluralism in the media and to ensure that broadcast licenses are issued and regulated without political interference.

31. My Office , together with experts from the UN and experts appointed by the Council of Europe, have assisted working groups in both Entities to draw up a Criminal Code and Criminal Law Codes which are in conformity with the European Convention of Human Rights. In the Federation Codes are currently before the House of Peoples, while the Republika Srpska-codes should be submitted to the National Assembly by the end of summer.

32. Currently the Rector's Conference of Bosnia and Herzegovina is the only coordination structure for higher education in the country. It aims to represent all universities in the country. My Office encourages the Conference to become fully operational.

33. My Office is continuing its efforts to coordinate the drafting of different commercial and capital market laws by USAID and experts of the European Union. Several laws have been presented by USAID to the Federation Government and are now being considered for adoption.

34. Due to the on-going efforts of my Office an important Memorandum of Understanding concerning Water Issues was signed on 2 June and the Entities have formed a Joint Commission for Water Management. Since last year, my Office has brought the Entity ministers responsible for the environment together for discussions and on 14 July, my Office concluded a Memorandum of Understanding on Environmental Matters between the Entities.

Special Parallel Relations and Succession Issues

35. Bosnia and Herzegovina and the Republic of Croatia concluded an *Agreement on Establishment of an Inter-State Council for Cooperation* on 30 March 1998. This agreement shall supersede the *Agreement on the Establishment of the Council for Joint Cooperation* between the Republic of Bosnia and Herzegovina, the Federation of Bosnia and Herzegovina and the Republic of Croatia of 14 December 1995.

36. My Office was informed recently about a proposal for an *Agreement on Special Parallel Relations* between the Federation of Bosnia and Herzegovina and the Republic of Croatia. Such an agreement is in certain respects inconsistent with the Constitution of Bosnia and Herzegovina and the division of competencies between the common institutions and the Entities. The parties involved have been informed accordingly. My Office is monitoring the situation closely.

37. Discussions on the compromise mini-agreement package on succession issues put forward by the Special Negotiator at the end of March failed to lead to any consensus: four delegations accepted the package but one (FRY) had substantial objections to it. Only very limited progress has been made regarding effective access to records and data relevant to succession issues, although the FRY has decided in principle to make certain documents available.

38. In its Declaration of 9 June 1998, the Ministerial Meeting of the Steering Board of the PIC noted with concern the lack of progress in arriving at a consensus on substantive issues of succession. It stated that these negotiations cannot continue indefinitely. It supported my recommendations for a pause in the negotiations until the end of September to be followed by a further negotiating session on the basis of the draft Framework Agreement of 13 November 1997, should appropriate conditions exist. After that session, the Steering Board will, if necessary, revisit the question including the option of referring key outstanding issues to arbitration. In addition, consideration may be given to pursuing steps to distribute relevant assets held abroad.

39. On access to records, the Steering Board renewed its request made by the (Bonn) PIC and stressed the importance of full compliance with it, and without delay. Such a move would enable negotiations on the draft Framework Agreement to proceed effectively and on an equal footing.

Brcko Dispute

40. In accordance with the Supplemental Award of 15 March 1998, the Supervisor of Brcko and his staff have pursued a vigorous policy of implementation. Both Entities improved in their cooperation with the Supervisor, though major responsibility for implementation lies with the Republika Srpska. Security conditions for return have been generally satisfactory - no major incidents on inter-ethnic grounds occurred during the reporting period.

41. Freedom of movement, both in the Zone of Separation (ZOS) and through and within the Brcko city limits for vehicles other than Serb-Entity registration, is steadily improving.

42. The return of displaced persons (DPs) and refugees is now taking place in a greater number of areas, including Brcko proper. To date 2,998 applications for return (approximately 12,000 persons) have been approved and more than 1,072 Bosniac and Croat families (an estimated 4,000 persons) have returned.

43. The problem of dealing with DPs occupying returnees' houses has grown. The tempo of returns from the Federation to the Brcko area could be higher if Serb DPs in Brcko, now living in abandoned Bosniac and Croat houses, were willing to contemplate return to the Federation, where an appropriate security environment, jobs, and other social benefits in the Federation would be made available . Along with some artificial bureaucratic impediments, the Federation requirement that Serb DPs produce a certification as "to where they have been since 1991" does nothing to reduce anxiety among Serb DPs contemplating returning to the Federation.

44. The multi-ethnic administration, judiciary and police were fully staffed by the end of June and are now operational - in accordance with the Supervisor's orders. All three ethnic groups appear to work satisfactorily together, especially in the police and judiciary. The multi-ethnic police expanded their operation to include mobile and static multi-ethnic patrols, both in the ZOS area and in Brcko proper. Two major problems remain to be resolved: lack of essential equipment, such as radios and weapons; and the sizable disparity between Serb policemen's salaries (very low) and the original salaries of the other two ethnic groups carrying out the same jobs in the Federation.

45. The revitalization of Brcko's economy envisaged both in the first Arbitral Award and in the Supplemental Award is directly related to a peaceful return process and progress in enhancing democratic institutions in Brcko: multi-ethnic administration, judiciary and police and other establishments, financed by the Brcko Municipality budget. To make this happen a certain number of Serb employees had to be laid off in order to employ Bosniacs and Croats. There are no alternative jobs for those laid off. Returnees, steadily increasing in numbers, also have no job opportunities. All this may contribute negatively to the stability and peace between the three ethnic communities and should be addressed through improving their economic outlook.

46. Although my Brcko office and other international organizations in Brcko are achieving steady progress in reconstruction of the municipal infrastructure, housing reconstruction, and

micro projects (including small business promotion), Brcko's economy remains stagnant and lacks substantial employment opportunities. Brcko is in critical need of employment opportunities to support the multi-ethnic administration and returnees and to deter the potential for social unrest.

47. In order to make significant headway toward revitalization of the economy before the final arbitral proceedings begin at the end of 1998, a special economic zone and a privatization process must be established. For this to happen, increased and steady support of the international donor community will be necessary.

Joint Commissions

48. The activities of the Provisional Election Commission (Annex 3), chaired by the OSCE, are referred to in the elections sections of this report.

49. At the 8th and 9th sessions of the Commission to Preserve National Monuments in Bosnia and Herzegovina, held respectively on 8-9 May in Paris, and on 29 June in Mostar, the list of monuments was extended to 110, and the Commission examined a preliminary report on legislation prepared by UNESCO, with a view to providing Bosnia and Herzegovina with the necessary legal apparatus to protect its cultural heritage. Moreover, at the June session the Commission drafted a letter to the competent authorities in both entities requesting that they take the necessary steps to protect the sites of monuments which have been totally destroyed, and inform the Commission of the measures taken.

Federation Issues

50. My Office continued to focus its attention on Federation issues. A meeting of the Federation Forum was held in Mostar on 16 April. Agreements were reached on a wide range of issues including Mostar returns, the continuing dissolution of parallel structures and separate financial channels as well as initiation of the second phase of municipal reform. My Office continues to follow up the implementation of these agreements.

51. As a result of the Federation Forum, Governors and Vice-Governors of the Central Bosnia and Herzegovina-Neretva Cantons have successfully paid joint visits to the municipalities in their Cantons to accelerate the merging of parallel municipal administrations with specific attention to the continued existence of parallel structures, full functioning of joint municipal administrations and implementation of Canton return plans. Results are, however, still limited.

52. An Inter-Ministerial Commission has been established to begin the second phase of municipal re-organization, consisting of representatives of the competent Federation Ministries, as well as the Council of Europe and my Office. This Commission held its first meeting on 25 June and will continue, with the aim of concluding its work by 31 December 1998.

53. The most numerous minority return movement of the first months of 1998 was to Drvar. These returns were, however, accompanied by an increasing number of house burnings and security incidents, including the murder of two elderly Serbs on 15 April. In light of the continued failure of local authorities to provide sufficient security in the municipality, the Deputy Mayor of Drvar and the Chief of Police were removed from office.

54. During an organized riot on 24 April, the Drvar municipal offices were attacked, and the Serb Mayor attacked and wounded. Some houses as well as the local offices of my Office, the UN IPTF, UNHCR and OSCE were also attacked and severely damaged by fire.

55. My Office, in close co-ordination with all the major implementation agencies, took measures to assert the international presence in Drvar, to re-establish a secure environment, to initiate investigations to identify the perpetrators and to make it possible for the return process could resume. I have appointed a Resident Envoy to monitor and help stabilize the situation in Drvar.

Republika Srpska

56. The period between April and June saw a consolidation of the position of the new RS government, and the strengthening of the political parties forming the government coalition, at the expense of the previously ruling hard-line parties. The Government strengthened its control over the police, as well as the military, the judiciary and the customs authorities.

57. The RS National Assembly passed some essential legislation required by the Peace Agreement. The Government coalition managed to block any attempt by the SDS led-opposition to derail progress. In June, it voted to remove the representatives of the SDS and SRS from their positions as President and Vice-President of the Assembly, which they had used to obstruct the passage of essential legislation, and replaced them with representatives from a moderate RS party and a Bosniac from the Federation-based Coalition respectively. For the first time in post - war BH, there is now a Bosniac Vice-Speaker of the RS Assembly.

58. In June, the three Serb Government parties formed the Sloga coalition. They are confident that they will strengthen their position in the upcoming September elections and thus create conditions for a further progress in peace implementation in the RS.

59. I am, however, concerned that the RS Prime Minister and the RS President should live up to the promises which they have made. Minority return into RS municipalities remains negligible, mainly due to the fact that many municipalities are still dominated by the old nationalistic forces of the SDS. However, the RS Government failed to honor its political commitment as regards the adoption of the so-called property laws, which are the basis for refugee return, as well as to make progress on the envisaged restructuring of the police forces.

Elections

60. Since my last report, the regulatory work of the Provisional Election Commission for the 1998 general elections has been almost completed, except for the sections on voting and counting. In addition to the changes I mentioned in my last report, the Provisional Election Commission has reduced the term of office to two years for all levels of government, except for the Bosnia and Herzegovina Presidency, which is regulated in the Bosnia and Herzegovina Constitution. The Chair of the Presidency will rotate every eight months. According to the new rules at least one third of the first ten candidates on a political party or coalition list must be women; candidates are obliged publicly to disclose their own and their family's financial assets; and paid media advertising is prohibited.

61. The voter registration period has closed, as has the period for the registration of political parties, the forming of coalitions and alliances as well as the submission of candidate lists. In

order to reflect the rapidly changing political landscape the Provisional Election Commission extended the period for the registration of parties separating from already existing parties until 1 July 1998. The New Croat Initiative (NHI), headed by the Croat Member of the Presidency, has applied to register as a party.

62. In addition to preparations for the 1998 elections, monitoring of the implementation of the 1997 municipal elections results continues. In June, the Provisional Election Commission extended the period to revoke Final Certification until the next municipal elections are held in September 1999. This measure will help to apply pressure to ensure that municipal councils/assemblies function efficiently and the voluntary return of displaced municipal officials to the municipalities takes place.

Media

63. For the past three months my media strategy has continued to be based on a three-pillared approach, namely (1) re-structuring of the media environment and the creation of a regulatory framework, (2) support to the independent media and provision of alternative sources of information, and (3) a public service information campaign designed to break the control of the government and political parties of the media environment. We are now making progress in our primary objective of redressing the balance of access to objective information, and along with the OSCE have agreed strict guidelines for fair and equitable access to the media in the pre-election period.

64. ***First Pillar*** As regards the re-structuring and regulation pillar of my strategy, the restructuring process at Srpska Radio Televizija (SRT) has provided for more balanced reporting of events in the Serb Entity. The new Board of Governors led by the International Administrator continues to function effectively. Since the appointment of the administrator, the evening news program no longer airs inflammatory political commentaries. However, the restructuring process at SRT has been hampered by a lack of financial and technical resources and I urge donor governments not to neglect this important technical part of the restructuring process.

65. Due to the improvement in the political climate and the success of the restructuring effort, SFOR troops have withdrawn from all but two of the SRT tower sites which were taken over last year, and early withdrawal from remaining towers is envisaged.

66. The reform of RTV BiH has been the main media restructuring activity of the reporting period. The aim of this reform has been to protect the television from direct political control and to enfranchise the main communities of the Federation and the whole of Bosnia and Herzegovina in accordance with the Dayton Peace Agreement. Two of the three members of the collective Presidency, Alija Izetbegovic and Kresimir Zubak, signed a Memorandum of Understanding undertaking to support a reorganization of RTV BiH. The leadership of the Trade Union of RTV BiH also signed the Memorandum. The MOU calls for the establishment of a public broadcasting corporation reflecting the constitutional structure of BiH. Until the corporation is established, an interim Board of Governors and an international administrator will begin restructuring the television network. The High Representative will ratify the Board of Governors and appoint an international administrator.

67. The Independent Media Commission (IMC) was officially established on 11 June by a Decision of the High Representative. The IMC was formed in accordance with Annex 10 of the GFAP and in accordance with the Bonn PIC Conclusions. The Decision sets out the authority of the IMC to assign broadcast frequencies across BiH, issue broadcast licenses and to enact a press code for print media. As part of the Decision, a moratorium on new licenses was declared to allow for the IMC to assess the current state of affairs in the broadcasting sphere.

68. The aim of the IMC is to ensure that all broadcasters and media outlets in the country conform to a set of minimum standards based on Western democratic principles and law. After a transparent recruitment process, a Director General was selected as well as other experts to lead the departments. The IMC has held press conferences to explain its work and continues to consult with broadcasters about the details of a code of practice, which is expected to be released on 1 August.

69. ***Second Pillar*** My Office has, over the reporting period, put in place a procedure for the systematic assessment of existing and new independent media, with a view to ensuring a fair distribution of international support. My Office has tried to direct assistance to areas which lack alternatives sources of information, apart from those controlled by local authorities. This strategy would benefit greatly from better coordination among donor governments on projects being selected for financial assistance among the independent media. My Office will work to promote that in the coming months.

70. The most ambitious independent media project supported by the international community over the period, in line with objectives set out in previous reports, was the television channel the Open Broadcast Network (OBN). Due to phased donations by the international community of financing and programming, the channel has now established a firm foothold on the BiH media scene. This is confirmed by independent polling and research. Unpredictability of funding has been partially overcome in the reporting period, enabling the channel to set a firm and coherent programming and news schedule, at least until the end of this year. The OBN has also made significant progress in increasing marketing revenue, and is now firmly on the way to becoming a fully-fledged commercial channel. The OBN's commercial viability will, however, remain linked to the economic development in BiH as a whole and its long-term sustainability will depend on achieving a balance between a gradual phasing out of international donations and targeted commercial revenue.

71. ***Third Pillar*** The Public Service Information Campaign (PSIC), which makes up the third pillar of my strategy, aims to provide clear, unbiased information, via commissioned programming and advertisements, on a series of themes. The issues treated in the PSIC underpin the main areas of work undertaken in the civilian area in support of the Peace Process. The messages have been designed by programming professionals to be clear and accessible to the public. Both the advertising and programming strands of the campaign are now partially completed, and are being broadcast by all media in the country. New advertisements and programs, pursuing the themes already developed, will continue to appear.

Return of Refugees and displaced persons

72. Returns have been slower than expected in the first half of 1998. The UNHCR had set a target figure of 50,000 minority returns for the first six months of the year. The actual figure is closer to 11 -15,000.

73. As outlined in the RRTF Action Plan, the primary obstacles to return remain a lack of political will on the part of the authorities, the absence of a sense of personal security for minority returnees, housing shortages, a general lack of employment opportunities, and legal and administrative problems.

74. The Banja Luka Conference on Regional Return marked the first in a series of steps to promote regional return. The Conference set out the requirements for accelerated return between from Croatia and Bosnia and Herzegovina and from FR Yugoslavia to each of these two countries. The emphasis was on the adoption of concrete return plans and the implementation of appropriate legislative, administrative, and social frameworks.

75. Croatia's adoption of a new return programme on 26 June 1998 marked a further step towards the realisation of regional return. While failing to address all the issues raised at the Banja Luka Conference, the Croatian return programme is promising and may yield significant returns if implemented in good faith. The RRTF is strenthening its links with key actors in Croatia with a view to assisting in its implementation and in expediting cross-border return.

76. Also on the 26th of June, the United Nations High Commissioner for Refugees hosted the Humanitarian Issues Working Group in Geneva. The meeting reviewed and endorsed the High Commissioner's Regional Return Strategy and underlined the importance of minority return as key to solving the overall return problem in the countries of former Yugoslavia. As my Deputy pointed out at the Humanitarian Issues Working Group (HIWG) however, the planning phase is over now. It is now results that count.

77. Implementation of the Sarajevo Declaration has so far been poor. The authorities refuse to address systematic problems in the housing allocation system, adopting a burdensome and opaque approach instead of dealing with individual cases one by one. US and European Union assistance for Sarajevo has been suspended as a consequence of non-compliance. I will brief the Steering Board of the Peace Implementation Council in full on 22 July 1998, and discuss with them a package of possible measures to rectify the situation.

78. In a positive development, cross-Inter-Entity Boundary Line (IEBL) returns are picking up pace. Bosnian Serbs have returned to places like Bosanski Petrovac, Sarajevo, Drvar, and Central Bosnia. Bosniak and Croat returns are taking place into the north-western part of the Republika Srpka in modest numbers, and are expected to accelerate over the summer as reconstruction programmes finish and more accommodation becomes available. The European Commission's 1998 programme in support of return is a key factor in generating new housing space and supporting infrastructure.

79. For the remainder of the year, I will continue to apply strict conditionality in support of return. I will not hesitate to use my authority to remove officials who try to prevent returns. I remain convinced, however, that 1998 is not the only year of return, however. The return of Bosnia and Herzegovina's refugees and displaced people will take years. The prospect of the

September elections may be contributing to this delay in the return process, as government leaders shrink from previous commitments to allow significant minority returns for fear that these might adversely affect their political fortunes.

Freedom of Movement

80. The implementation of the Uniform License Plate System is proceeding well. To date, two thirds of vehicle owners in BiH have been issued with the common license plates. To achieve this, a series of high-level interventions by my Office and the UN IPTF has been required. In accordance with the Bonn PIC Conclusions, I asked the Peace Implementation Council Members to permit only vehicles with the new license plates to cross international borders after 1 June. As a result of the introduction of the new license plates, which do not reveal the place of origin or ethnicity of the car holder, freedom of movement across the IEBL has increased substantially during the reporting period.

81. Progress on freedom of movement across the BiH borders into Croatia for BiH citizens resident in the RS and displaced Serbs from Croatia in that Entity has not been satisfactory. This issue has been raised frequently with the Croatian Government, which has announced that there will be no further discrimination against RS residents bearing new Bosnian passports. However, the Croatian Government maintains visa and other impediments for bearers of other travel documents resident in the RS.

82. Infrastructure issues continue to require the attention of my Office. Resumption of normal railway traffic between BiH and Croatia has yet to come into effect. The agreement on border rail traffic has recently been submitted to the Ministry of Civil Affairs and Communications for approval by the Council of Ministers and discussion with the Croatian authorities. The recently formed public corporation for railways has signed a similar agreement with Croatian Railways, although it should be noted that this public railways corporation has yet to formalise a book of rules governing its operations.

83. The decree on the regulation of inter-Entity bus traffic was signed in April. Instructions are now being drawn up for implementation of the decree. Meanwhile, no new inter-Entity bus lines have been approved.

84. A protocol addressing regulation of navigation on the River Sava has been prepared and submitted to the Ministry of Civil Affairs and Communications for consideration and further discussion with Croatian authorities. This protocol awaits approval.

85. Bridge programs for reconstruction of Una and Sava river bridges have been identified. However, at this time, no bridges have been reconstructed and numerous temporary structures are in use. Seven bridges are under consideration by the EC, two by USAID and one bridge is currently under reconstruction under a World Bank project. Efforts to co-ordinate reconstruction projects through the involvement of the donors and representatives of Croatia, Bosnia & Herzegovina and the local authorities have yet to be realised.

Police issues

86. Regrettably no major improvements have taken place during the reporting period in relation to police restructuring in the Federation. Of particular concern are two of the Federation Cantons, which continue to exist without Ministries of Interior having been inaugurated. UN IPTF has however made progress in relation to the Federation Ministry of Interior. Inauguration of the Ministry is expected shortly.

87. In accordance with the Bonn PIC Conclusions and the Declaration of the Luxembourg Ministerial meeting of the PIC Steering Board, my Office prepared, in cooperation with UN IPTF, the necessary draft legislation for the establishment of a border police of BiH, which is about to be submitted to the Council of Ministers for discussion and adoption.

Missing Persons, Mass Graves

88. The issue of missing persons remains very sensitive and is frequently manipulated by different groups for political purposes. The Working Group on Missing Persons, chaired by the ICRC, continue to make it possible for representatives of the family associations to have direct contact with the relevant local authorities.

89. An important step forward has been made by the Joint Exhumation Commission, chaired by my Office. The Commission, comprising representatives of the three parties, is the principal forum for inter-Party exhumations. During March, it became possible to conduct exhumations for the first time without total reciprocity. The RS team started exhumations in Jajce on 2 March, the Croat team began their exhumations in the area of Kakanj two days later and the Bosniac team - in West Mostar, in the middle of March. The work continues in a co-operative manner. So far approximately 250 bodies have been exhumed in 20-30 micro locations in 4 main areas since the beginning of March.

90. The exhumations are performed with the help of the international community. Physicians for Human Rights assists with technical and scientific expertise, sponsored by the International Commission on Missing Persons, who also provide funds for de-mining and forensic materials. The UN assists with mine assessment visits to the sites and the UN IPTF monitor the local police, who are responsible for security at the sites. SFOR provide area security and emergency evacuation capability.

Human Rights

91. I am pleased with the continuing progress being made towards the goal of securing adequate and stable funding for the Human Rights Chamber, the Human Rights Ombudsperson and the Commission for Real Property Claims (CRPC). Greater financial security has enabled the institutions to deal more effectively with their rapidly growing caseload. However, the commitment by the Bosnia and Herzegovina Government to contribute DM 200,000 to each institution from its 1997 budget and DM 500,000 from its 1998 budget has not yet been met. My Office is continuing to work with the government to ensure that this obligation is fulfilled.

92. There is still a serious lack of cooperation on the part of the authorities in ensuring that the decisions and recommendations of these institutions are effectively implemented. After a long

delay, an agent to represent the State in proceedings before the Chamber was finally appointed. Unfortunately, one has still not been appointed for the Ombudsperson. My Office is continuing its involvement in monitoring authorities' responses and coordinating intervention in cases in which the authorities have failed to meet their obligations. Mechanisms and strategies to ensure respect for the final and binding decisions of the Human Rights Chamber and the Commission for Real Property Claims as well as implementation of recommendations by the Ombudsperson and the Federation Ombudsmen must be strengthened. Implementing legislation for the Commission for Real Property Claims has been drafted and legislation on behalf of the Commission on Human Rights is also under consideration. Coordination and cooperation among the institutions is good and measurable progress has been made in terms of the institutions' impact in contributing to the respect for human rights and the rule of law in Bosnia and Herzegovina.

93. My Office is extremely concerned by the increase in the number of incidents of destruction of property and violence directed against returnees and minority residents, in municipalities such as Drvar, Stolac and Travnik. The murder of an elderly Bosnian Serb couple attempting to return to Drvar in April, the organised violent assault against Bosnian Serb returnees and members of the international community on 24 April in Drvar, as well as a car explosion in Travnik resulting in the death of a Bosnian Croat police officer and the wounding of his Bosniac police partner, have been strongly condemned by the international community. These incidents underscore the failure of local and national authorities to assume their responsibilities for ensuring a secure environment essential for implementation of Annexes 6 and 7 of the Peace Agreement. Allegations of human rights violations by local police continue to be reported in both Entities. In response to the serious allegations of abuse in police custody in Teslic, however, the joint UN IPTF and RS police investigation has led to the suspension of members of the police force in Teslic. It is hoped that the actions taken as a result of this joint investigation will send a clear message to the authorities in both entities that such acts will not be tolerated.

94. An agreement was reached between the two Ministries of Education in May regarding a review of all textbooks in use in primary and secondary schools (with the exception of textbooks for mathematics, science and technical vocational courses). Under the Agreement, coordinated by my Office with the assistance of UNESCO, the Council of Europe and the World Bank, expert teams have been established by the Ministries to review the textbooks in order to identify offensive material which should be removed in advance of the upcoming school year. My Office is also working with these international organizations to ensure necessary curriculum reform in both entities.

95. While the adoption of the property and housing laws in April by the Federation National Assembly has put in place the essential legal framework for return of refugees and displaced persons to their pre-war homes, implementation of these laws has been slowed by numerous forms of deliberate obstruction. In the Luxembourg Declaration, the Steering Board urged the Federation authorities to take immediate steps to ensure full implementation of the legislation.

96. The Republika Srpska government has failed to date to fulfil its commitment to ensure that draft property and housing laws, which are essential to return and to peace implementation generally, are adopted. A deadline of 31 August was set in Luxembourg for draft legislation acceptable to my Office to be finalized and passed by the National Assembly. My Office will continue to work to ensure that this deadline is met.

Strengthening the Rule of Law and Co-operation with ICTY

97. Recent developments in the area of judicial cooperation have been encouraging, particularly with the signing of the Memorandum of Understanding on Legal Assistance between Institutions of the Federation and Republika Srpska on 20 May. Further, the Inter-Entity Legal Cooperation Commission, established by the BiH Presidency in February 1998, held its inaugural session in June. Once fully established, the Commission will provide a forum in which concrete recommendations will be made as to how to expand and improve legal cooperation between the Entities as well as to provide advice on the implementation of the Memorandum of Understanding on Legal Assistance.

98. Despite the PIC Conclusions in Bonn, which called for the Federation to adopt the new Federation Criminal Code and Criminal Procedure Code by 31 January 1998, both codes have remained under consideration by the Federation Parliament for more than four months after this deadline. In Luxembourg, the Steering Board therefore called upon the Entities to bring the current, first phase of the Criminal Law reform to completion and urged the Federation and RS to enact new criminal codes and criminal procedure codes by 30 June 1998 and 31 August 1998 respectively. The Federation has failed to meet its deadline of 30 June, despite nearly a half-year extension. Both laws are essential for effective protection of the rights and freedoms set forth in the European Convention on Human Rights and its Protocols as well as for the functioning of the judicial systems in Bosnia and Herzegovina. My Office has intervened strongly to ensure adoption by the Federation of these laws and will continue to place pressure on the Republika Srpska to meet its obligations under the Luxembourg Declaration.

99. In accordance with the Bonn PIC Conclusions, my Office has continued to work to ensure a comprehensive and coordinated approach to judicial system reform. While progress has been made in this field, I remain concerned that judicial reform efforts are not proceeding quickly enough to address the urgent needs of the peace process. For example, the inability of the legal system to address violence which threatens the return of refugees and displaced persons must be addressed. In addition, there is a compelling need for reform of the judicial appointments system. Along with other international organizations, my Office has intervened to ensure that judicial appointments are made on the basis of professional qualifications, rather than political criteria. However, a more systematic approach is necessary, and to that end draft legislation is being prepared to address this issue. Moreover, I have asked the Venice Commission of the Council of Europe for its Opinion on the question whether a judiciary at the state level needs to be established in order to hear, *inter alia*, claims submitted by persons whose interests have been prejudiced by actions of the BH institutions. If the Venice Commission's Opinion is affirmative, necessary legislative measures will have to be taken for the establishment of such a judiciary.

100. Also at Bonn, the PIC stressed that "monitoring of the judicial system is an essential element of this process" and called for "the necessary resources to be devoted to that task." Unfortunately, this appeal has not been met. Judicial system reform efforts continue to be hampered by the current ad hoc approach to monitoring, which does not provide the requisite information for effective targeting and development of reform programs. Comprehensive judicial system monitoring would increase the efficiency of all other efforts in this field, and itself acts as a deterrent against abuses.

101. Co-operation with ICTY continues with the detention of four Bosnian Serb indictees by SFOR troops during the reporting period, as well as the voluntary surrender of a Bosnian Serb indictee in April.

102. My Office has also continued its work in supporting efforts underway to reform the legal framework applicable to NGOs, to establish a proper legal and security environment which supports the development of civil society organisations. A working version of a new draft Law on Associations and Foundations was distributed in June for public discussion. This first distribution is primarily aimed at domestic NGOs in Bosnia and Herzegovina, the aim being to solicit their views on legislation that will crucially affect them. A sound legislative framework for NGOs is vital. Freedom of expression, association and peaceful assembly are fundamental to an enduring peace in Bosnia and Herzegovina. Expression of these rights through a vigorous civic society helps build social stability and respect for the rule of law. Appropriate legislation protects these rights and instills accountability.

Economic Reform and Reconstruction

103. The Luxembourg Declaration of the PIC Ministerial Steering Board stressed the importance of establishing an integrated economy in BiH, as well as moving the country towards a market-led economy. In this light, some important progress has been made in the period under review. However, the implementation of reforms in economic management has remained difficult.

104. A major step forward in creating the necessary conditions for sustained economic development was the approval by the IMF Executive Board on 29 May of a stand-by arrangement. Under the arrangement, a total of USD 82 million is made available to strengthen the financial position of the country in general and the Central Bank in particular. The loan will facilitate the realization of the 1998-1999 macro-economic program as presented by the BiH authorities. Further support for achieving key economic reforms in public finance is given by the World Bank; following the IMF agreement, the Public Finance Structural Adjustment Credit, totaling USD 63 million, was approved on 4 June.

105. The IMF stand-by loan provided necessary reserve funds for the Central Bank of BiH (CBBH). This in turn enabled the introduction of the Konvertible Marka (KM), the new common currency for BiH. The KM is pegged to the DM in a ratio of 1:1. This exchange rate is secured by the currency board constraints, under which all KM in circulation will be backed by DM or other convertible currency. The introduction of the KM took place on 22 June. Even though the initial introduction has suffered from some difficulties, I am confident that the KM will be reliable currency for all of BiH.

106. An essential part of the establishment of a fully independent CBBH is the liquidation of the former national bank, the NBBH. On 28 May, the Presidency of BiH approved the liquidation plan for the NBBH. The plan is now being carried out by an experienced liquidator.

107. A unified economic space is a pre-condition for the future economic development of BiH. It is therefore encouraging that the legal framework concerning all aspects of customs for BiH is nearly completed. As of 1 January 1999, BiH will have modern customs procedures compatible with EU practice. The Customs and Fiscal Assistance Office (CAFAO), funded by the EC, is

helping the local authorities to ensure proper implementation of the customs regime, and to improve the administration in all relevant fields and to increase customs revenues.

108. Apart from a unified customs practice, internal trade without barriers is a second essential component of the unified economic space. With active support of my Office, the Entities have started a constructive dialogue on issues concerning trade within BiH. Even though many barriers are to be removed, some initial results have already facilitated increased trade. In particular, the RS has amended its system of sales taxes and both Entities have removed restrictions to trade with the other Entity.

109. The Council of Ministers (CoM) has adopted the draft Framework Law on Privatization of Enterprises and Banks, drafted by my Office. This is an important step forward since the Law secures the legal environment for privatization programs to be implemented by both entities. The Law further stipulates that basic principles such as non-discrimination of DPs and refugees, transparency and public accountability need to be observed. In order to monitor that privatization process is in compliance with the GFAP and with this Law, I have established a Privatization Monitoring Commission which will make recommendations and which will report to me.

110. Significant progress has been made in the RS. After nullification of the privatization lottery a new privatization and capital market law package has been drafted with the assistance of the IC. These laws have been accepted by the RS Cabinet and were passed by the Parliament at the beginning of July, ahead of schedule.

Reconstruction

111. The fourth donor conference for BiH was held in Brussels on 7 and 8 May. A total of USD1.2 billion was pledged by 30 countries and international organizations. My recommendation to the donors to increase their financial effort in the RS, including the Eastern part, was well received, and also resulted in more reconstruction projects being initiated in the RS during the period under review.

112. Under my chairmanship, the Economic Task Forces and the sectoral Task Forces continue to co-ordinate the financial support offered by donors. The reconstruction projects already completed in 1998 now amount to USD 130 million, with an additional USD 600 million currently under implementation. Two thirds have been invested in the Federation, the share of the RS being now above one quarter of the total USD 730 million. Most of the remaining, USD 60 million has been spent at the national level in projects involving both Entities, essentially in the energy, electrical and telecommunications sectors.

113. Two thirds of this USD 730 million is spent on infrastructure repairs, transport, energy and water supply systems. The direct share of the RS represents about USD 130 millions for these three sectors only. Of the USD 60 million spent in the health and education sectors, 35% is going to the RS.

114. The funding of the infrastructure reconstruction has significantly increased in the RS in all sectors, with exception of the housing; of the total USD 121 million spent in reconstruction of houses and apartments, about 90% goes to the Federation. This is mainly related to the rate of return, which is much lower in the RS than in the Federation;. The housing projects implemented

or already finished in 1998 represent USD 6 million in the western RS and USD 2 million in its eastern part.

115. The Project Implementation Units established in both entities by the World Bank will help to co-ordinate and monitor the USD 170 million Second Electric Power Reconstruction Project designed to restore normal and reliable power supply in the country. Additionally, the World Bank approved in June a new USD 7 million credit line to improve forest management, which is part of a $20.2 million project co-financed by the EC, Norway and Italy.

116. The EBRD has secured a USD 20 million loan under the Telecommunications Emergency Reconstruction Project. The Bank seeks additional financing from donors (Switzerland, Japan, Norway, Italy and the Netherlands) to finance complementary equipment and materials for an estimated value of USD 20 million. Local operators will provide financing for an amount of approximately USD 10 million. The total allocated to Telecommunications Reconstruction is therefore approximately USD 50 million.

117. USAID's Business Development Program has approved DM 20 million in loans to private sector businesses. To date, this Program has approved approximately DM 200 million in loans to private sector businesses in both the Federation and the RS (87% and 13% of the total, respectively). This assistance has resulted in the creation of over 17000 jobs. To date, over 500 companies have received technical assistance on business planning, corporate organization, financial and quality management, marketing, and other business functions.

118. In April, the European Community approved 17 contracts worth USD 70 million with non-governmental organizations related to the implementation of EU-funded projects designed to facilitate the return of refugees and displaced persons. These projects were part of a wider USD 150 million 1998 return program funded by the European Commission.

119. Nearly half of the reconstruction effort is now financed through three main donors; the European Community, USAID and the World Bank. However, numerous governments, including non-European countries, are generously supporting the process on a bilateral basis. Besides donors, commercial companies feel increasingly confident about the future of the country and are increasing their involvement in the economy, with for instance the German company VW preparing the reopening of a car production facility in Sarajevo. The overall level of foreign investment is however very low.

Public Utilities

120. In the field of Public Utilities, limited progress has continued. The newly established railway Public Corporation has drafted internal rules and procedures and is starting to become operational. It has signed an agreement with Croatian Railways. However the Federation has still not prepared a new law on railways which would create the Federation railway company. Similarly the Republika Srpska has not amended its current law to bring it into line with the Peace Agreement. Railway traffic has not taken off mainly due to a lack of domestic demand. Moreover, there is still no agreement signed with Croatia at the State level to allow international traffic with BiH.

121. The decree on the regulation of inter-Entity bus traffic was signed mid-April. Instructions are now being considered for implementation of the decree. Meanwhile, no new inter-Entity bus routes have been approved.

122. A protocol addressing regulation of navigation on the river Sava has been prepared and sent to the Ministry of Civil Affairs and Communications for consideration and further discussion with Croatian authorities. Three months after the initial proposal, a protocol has yet to be approved.

123. Significant progress has been achieved in the field of telecommunications. A working group including all interested parties has agreed on a draft state law to be forwarded to the Council of Ministers. On 22 April a Memorandum of Understanding concerning the resumption of Inter-entity mail transports was signed. As a result postal exchange between Sarajevo and Banja Luka has been established on a regular basis. Similarly, a draft text on a Joint Corporation for electrical transmission is being prepared.

124. In line with the Bonn PIC conclusions, the OHR Anti-Fraud Unit was created in mid April 1998 to assist authorities in identifying illegal activities and in coordinating international efforts in the areas of government transparency, corruption and organized crime. The unit has had some notable success both in the development of an overall anti-corruption strategy as well as in individual cases. The Unit has developed productive liaisons with local governmental agencies and international organizations to ensure a coordinated approach to all anti-corruption/transparency efforts in BiH and to implement an effective local anti-corruption system.

125. The Council of Ministers finally decided to tackle the issue of the implementation of the State budget. With the help of my Office, the Minister of Civil Affairs and Communications and his deputies agree with the Entities on a procedure to implement the budget as per the law, starting on 1 June 1998. For the last six months of the year, Entities will contribute to a central bank account and salaries will be paid according to the payroll of the Law of the Council of Ministers.

Budgetary support to the Republika Srpska

126. Both to boost economic recovery and as an incentive to the new Government to live up to its pledges to implement Dayton, I have urged the international community to provide funds to cover public service wage arrears. The RS Government has received budgetary assistance of nearly DM 27 million from six donors (EU, USA, UK, Canada, the Netherlands and Sweden). The program has covered the payment of wage arrears in the public service for seven months. The beneficiaries included General Administration (excepting Police and Army) and Education. The final portion of the whole budgetary support program was disbursed at the end of June in the newly introduced Konvertible Marka (KM) to help reinforce public confidence in the currency. A key condition attached to the budgetary support included accountability and transparency of these funds, cooperation with EC CAFAO in restoring customs and excise collection, and working with the IMF to implement an annual budget. The Government has cooperated in a satisfactory manner and fulfilled these conditions. These developments and other initiatives to pave the way for a market economy have enabled the RS Government to enter into a stand-by arrangement with the IMF which would provide a total of DM 100 million to the RS Government, a major step forward.

Mine Clearance

127. Both Entity Mine Action Centers are now established as bodies within the Entity Governments. This will be confirmed at a ceremony to mark the formal transfer of the UNMAC to the BiH MAC in early July, thus completing the establishment of all the bodies asked for in the London PIC Conclusions on demining.

128. The results of the Mines, Ordnance and Other Warlike Material Amnesty were encouraging. In addition to a considerable quantity of these items being handed in, 2400 weapons were also given up, even though they were not the primary focus of the amnesty. It therefore seems worthwhile to pursue an amnesty specifically aimed at weapons. The BiH Authorities should be urged to enact legislation so that such an amnesty can be implemented by the Entities in conjunction with SFOR and the UN IPTF.

129. Three demining schools are now being established at Banja Luka, Travnik and Mostar. This marks significant progress by the Entity armies towards achieving mine lifting to recognized humanitarian demining standards. This will not only bring valuable resources to stretched clearance programs, but will also widen the choice for donors as to where their investment will be most efficiently used.

130. The Bonn PIC Conclusions called for the renunciation on the use of all landmines. However there is still no formal renunciation of the export or continued manufacture of anti-tank mines. This lack of commitment sends a confusing message to potential donors of demining resources. There is also still no confirmation that all mine information has been transferred to the BiH MAC. These matters are being pursued by the Board of Donors.

131. The Entity Ministries of Defense have made a presentation to the SCMM on the implementation of the Ottawa Treaty.

UNITED NATIONS **S**

Security Council

Distr.
GENERAL

S/1998/644
14 July 1998

ORIGINAL: ENGLISH

REPORT OF THE SECRETARY-GENERAL ON THE UNITED NATIONS PREVENTIVE DEPLOYMENT FORCE

I. INTRODUCTION

1. The present report is submitted further to paragraph 25 of my last report of 1 June 1998 (S/1998/454) on the United Nations Preventive Deployment Force (UNPREDEP) in the former Yugoslav Republic of Macedonia, in which I stated that it would be my intention to submit, by 15 July 1998, should the Security Council so wish, specific proposals on a possible strengthening of UNPREDEP's overall capacity, taking into consideration the situation in the region and the relevant Security Council resolutions, including 795 (1992) of 11 December 1992 and 1160 (1998) of 31 March 1998.

II. RECENT DEVELOPMENTS

2. It will be recalled that peace and stability in the former Yugoslav Republic of Macedonia continue to depend largely on developments in other parts of the region and that recent developments in Kosovo have highlighted the danger of renewed violence in the area and the serious repercussions such violence could have upon the external and internal security of the Republic.

3. In my report to the Security Council of 2 July 1998 (S/1998/608), prepared pursuant to resolution 1160 (1998), increased concern was expressed that, unless hostilities in Kosovo are stopped, tension could spill across the borders and destabilize the entire region. I welcomed the diplomatic efforts being made at the international level to address the fundamental aspects of the situation, which can only be resolved through negotiation. Discussions are still continuing at the international level on the possible need for an expanded international military presence in the region and on the establishment of a comprehensive monitoring regime as a consequence of the situation in Kosovo.

4. Further to his letter of 15 May 1998 (see para. 22 of S/1998/454), the Minister for Foreign Affairs of the former Yugoslav Republic of Macedonia, Mr. Blagoj Handziski, addressed a new letter to me, on 9 July 1998 (S/1998/627), reiterating his Government's recommendation for an extension of the UNPREDEP mandate for an additional period of six months, with the same mandate, structure and troop composition. The Government has endorsed the option of an eventual

increase in the military as well as in the Civilian Police components, in consultation with the national authorities. Following its meeting in Bonn on 8 July 1998, the Contact Group, in its statement on Kosovo, also supported the extension of the mandate of UNPREDEP.

5. Since the start of the Kosovo crisis, UNPREDEP has intensified patrols along the borders with Albania and the Federal Republic of Yugoslavia and has also established temporary observation posts for 24-hour monitoring and reporting on activities at the borders throughout its area of operation (see para. 5 of S/1998/454). The imposition of these additional tasks has come at a time when the fulfilment of UNPREDEP's existing responsibilities have already stretched the reduced strength of the operation to the limit.

III. RECOMMENDATIONS

6. As stated in paragraph 21 of my report of 1 June 1998 (S/1998/454), I remain convinced that it would seem premature to proceed with a decision to withdraw UNPREDEP after 31 August 1998. Therefore, taking into account my recommendations set forth in paragraphs 7 to 9 below, the Security Council may wish to consider the extension of UNPREDEP's mandate for a further period of six months, until 28 February 1999.

7. In view of the constraints placed on UNPREDEP in monitoring and reporting on developments along the borders, referred to in paragraph 5 above, including the Kosovo stretch of the border, the Security Council may wish to consider increasing UNPREDEP's troop level by 350 all ranks. The majority of these troops, 230 in total, would be deployed at nine new permanently manned observation posts in the former Yugoslav Republic of Macedonia along the Kosovo (Federal Republic of Yugoslavia) and Albanian borders. The troops would, in accordance with resolution 795 (1992), monitor and report on developments in the border areas, including those developments that would have a bearing on the implementation of the relevant provisions of resolution 1160 (1998).

8. A reserve of two platoons composed of approximately 60 soldiers would perform limited ground and air patrolling duties. The reserve would be centrally located and have sufficient capacity to react in a timely manner to any developments that might require immediate attention. Because of the remote positions of observation posts and the difficult terrain in the mountainous border areas, particularly during harsh winter conditions, the reserve should be complemented by a 15-man medical unit and three helicopters to enable the Force to respond promptly to emergencies involving UNPREDEP personnel.

9. In view of the important confidence-building role played by the military observer and the civilian police elements of UNPREDEP, the Security Council may also wish to consider increasing their strength by an additional twelve and twenty-four personnel respectively. The strengthened military observers and civilian police elements would intensify community and border patrols as well as monitoring and reporting of the situation at border crossing stations.

10. Should the Security Council agree to the above-mentioned increase in force levels, I will submit an addendum on the financial implications of this report as soon as possible.

UNITED
NATIONS

S

Security Council

Distr.
GENERAL

S/1998/645
15 July 1998
ENGLISH
ORIGINAL: RUSSIAN

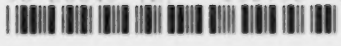
LETTER DATED 14 JULY 1998 FROM THE PERMANENT REPRESENTATIVE OF THE RUSSIAN FEDERATION TO THE UNITED NATIONS ADDRESSED TO THE SECRETARY-GENERAL

I have the honour to transmit herewith the text of a statement issued on 14 July 1998 by the Ministry of Foreign Affairs of the Russian Federation concerning events in Gali district in Abkhazia, Georgia.

I should be grateful if you would have the text of this letter and its annex circulated as a document of the Security Council.

(Signed) S. LAVROV

98-20649 (E) 150798 150798



/...

Annex

STATEMENT BY THE MINISTRY OF FOREIGN AFFAIRS OF THE RUSSIAN FEDERATION

The Ministry of Foreign Affairs of the Russian Federation has been authorized to state the following.

On 12 July 1998 at 2000 hours, five Russian military personnel serving in the Collective Peacekeeping Forces of the Commonwealth of Independent States were killed by terrorists: Senior Lieutenant Roman Genrikhovich Bersenev, Junior Sergeant Evgeny Nikolaevich Khazov, Junior Sergeant Maksim Gennadyevich Biryukov, Private Vladislav Alekseevich Obaskin and Private Vladislav Nikolaevich Goloshchapov. Three servicemen were wounded.

For over four years, a Russian military contingent has been carrying out a peacekeeping mission in the Georgian-Abkhaz conflict zone in accordance with the mandate of the Council of Heads of State of the Commonwealth of Independent States; the contingent has supported the ceasefire regime, thereby facilitating the talks between the parties to the conflict concerning the return of refugees and a political settlement.

The Russian peacekeepers have carried out and are continuing to carry out their duties in an appropriate manner. Owing to the measures taken by the peacekeepers, the clashes that took place in Gali district in May 1998 were contained and did not escalate into large-scale hostilities.

However, in the absence of progress in the talks, the terrorist activities of extremist forces in Gali district are increasing, and Russian peacekeepers are the targets of such terrorism.

The sides are not fulfilling their obligations under the Gagra Protocol of 25 May 1998. Thus, the Abkhaz side has not created conditions for "the return of the civilian population of Gali district, which fled as a result of the fighting". As for the Georgian side, under the Gagra Protocol it assumed the obligation to "take effective steps to halt the infiltration into Abkhazia of terrorist and subversive groups and armed formations and individuals".

There has recently been a growing number of pronouncements and statements, particularly by leaders of the Georgian Parliament, in support of the guerrillas of the "White Legion", who a few days ago made direct threats against the Russian peacekeepers. All attempts to portray the "White Legion" or the "Forest Brethren" as organizations that have no link to, and are not directly controlled by, Georgian security services are absolutely contrary to reality.

The statement issued by the Ministry of Foreign Affairs and Ministry of State Security of Georgia concerning the terrorist attack on Russian peacekeepers on 12 June 1998 is a source of indignation. It does not contain a single word of condolence in connection with the deaths of the young servicemen, while the peacekeepers and their command are blatantly and groundlessly accused of encouraging violence.

We resolutely condemn the crime perpetrated against the Russian peacekeepers, who are risking their lives for the sake of peace and stability in the region, and we demand that effective measures be taken to halt the terrorist activities of the "White Legion" and the "Forest Brethren".

The Ministry of Foreign Affairs of the Russian Federation once again stresses the inadmissibility of the unauthorized introduction of armed formations into the security zone, which is controlled by the peacekeeping forces.

With a view to ensuring the safety of its personnel, the command of the peacekeepers has been instructed to take measures to neutralize terrorist groups in both sectors of the security zone, to which the mandate of the Collective Peacekeeping Forces applies.

We give notice to the sides that, if terrorist acts against Russian peacekeepers persist, we shall consider the advisability of their continued presence in the conflict zone.

UNITED
NATIONS

S

Security Council

Distr.
GENERAL

S/1998/646
15 July 1998

ORIGINAL: ENGLISH

LETTER DATED 15 JULY 1998 FROM THE PRESIDENT OF THE SECURITY COUNCIL ADDRESSED TO THE SECRETARY-GENERAL

I have the honour to inform you that your letter dated 8 July 1998 (S/1998/640) concerning the list of candidates to the International Criminal Tribunal for Rwanda and your suggestion to extend the deadline for nominations to the Tribunal until 4 August 1998 has been brought to the attention of the Security Council. The Council noted the information contained in the letter and agreed with the proposal contained therein.

(Signed) Sergey V. LAVROV
President of the Security Council

98-20690 (E) 150798

UNITED
NATIONS

S

Security Council

Distr.
GENERAL

S/1998/647
14 July 1998

ORIGINAL: ENGLISH

REPORT OF THE SECRETARY-GENERAL CONCERNING THE SITUATION IN ABKHAZIA, GEORGIA

I. INTRODUCTION

1. The present report is submitted pursuant to resolution 1150 (1998) of 30 January 1998, by which the Security Council decided to extend the mandate of the United Nations Observer Mission in Georgia (UNOMIG) until 31 July 1998, subject to a review by the Council of the mandate of UNOMIG in the event of any changes that might be made in the mandate or in the presence of the peacekeeping force of the Commonwealth of Independent States (CIS). In the same resolution, the Council requested me to continue to keep it regularly informed and to report after three months from the date of the adoption of the resolution on the situation in Abkhazia, Georgia, including the operations of UNOMIG, and to provide recommendations in that report on the nature of the United Nations presence. In compliance with that request, I submitted a report to the Security Council on 11 May (see S/1998/375 and Add.1). In addition, pursuant to the statement by the President of the Security Council of 28 May 1998 (S/PRST/1998/16), I submitted on 10 June a report (S/1998/497) providing an update on developments in the region and containing, as requested, the results of my Special Representative's consultations with both sides in the Georgian/Abkhaz conflict on the concept of the self-protection unit outlined in my report of 11 May (S/1998/375) and on other options as appropriate. The present report provides an update of the situation as at 12 July 1998.

II. POLITICAL ASPECTS

2. During the reporting period, efforts by my Special Representative, Mr. Liviu Bota, the Russian Federation, in its capacity as facilitator, with the assistance of the Organization for Security and Cooperation in Europe and the group of Friends of the Secretary-General to move the peace process forward were negatively affected by the hostilities and subsequent events in the Gali district in late May (see S/1998/497, paras. 2-8).

3. With the joint mediation of the First Deputy Minister for Foreign Affairs of the Russian Federation and the Executive Secretary of CIS, the sides continued extensive negotiation efforts on a set of two documents ("Agreement on

Peace and Guarantees for the Prevention of Armed Confrontation", and the "Protocol on the Return of Refugees to the Gali District and Measures for Economic Rehabilitation") in preparation for a meeting between the President of Georgia, Mr. Eduard Shevardnadze, and the Abkhaz leader, Mr. Vladislav Ardzinba (see S/1998/497, para. 8).

4. To date, however, the sides have not agreed on key points of the Protocol: (a) the definition of the "Gali district" (since the Abkhaz have redrawn the administrative-territorial boundaries of districts in Abkhazia); (b) the means by which the provision and guarantee of security for those returning to the Gali district ought to be accomplished; and (c) the nature and timing of the measures for economic rehabilitation, including the lifting of the restrictions imposed by the 19 December 1994 Decree of the Government of the Russian Federation and the 19 January 1996 decision of the CIS Council of Heads of State (see A/51/62-S/1996/74 of 31 January 1996, annex).

5. While the above-mentioned efforts proceeded, my Special Representative was actively engaged in direct consultations with President Shevardnadze, Mr. Ardzinba and other prominent political figures. Each leader continued to express willingness to meet with the other to address current problems and explore avenues for the settlement of the conflict. Each also expressed deep concern about the volatile situation on the ground. Mr. Ardzinba warned that the situation was at a crossroads, and that if some accord were not found, the situation could rapidly deteriorate. Upon his request, my Special Representative conveyed these concerns to the Georgian side.

6. In addition, on 16 June, the members of the group of Friends of the Secretary-General met with President Shevardnadze in Tbilisi and, on 17 June, with Mr. Ardzinba in Sukhumi, at his invitation. In each case, they made collective démarches appealing to both sides to resume discussions within the institutional framework agreed upon during the high-level meeting held at Geneva in November 1997 (see S/1998/5', para. 3).

7. Furthermore, in a letter dated 15 June, President Shevardnadze requested that the President of the Russian Federation, Mr. Boris Yeltsin, in his capacity as Chairman of the CIS Council of Heads of State, to convene an extraordinary session of the Council to address the situation in Abkhazia, Georgia.

8. Both sides continue to show interest in direct bilateral contacts and cooperation. Assisted logistically by UNOMIG, the Executive Secretary of the Georgian/Abkhaz Bilateral Joint Commission, Mr. Zurab Lakerbaia, travelled frequently between Tbilisi and Sukhumi. From 28 to 30 June, Abkhaz businessman Mr. Enver Kapba paid a visit to Tbilisi to discuss options for Georgian-Abkhaz economic cooperation.

9. On 27 June, participants in the Russian-Georgian Working Group on Border Questions initialled an agreement on procedures for the transfer from the Russian Federation to Georgia of control of the borders and ownership of surface infrastructure (see S/1998/375, para. 9). The Abkhaz announced their intention to assume control of maritime borders, once the Russian border guards had withdrawn. Head of the Georgian State Border Guard Department, Major General Valerii Chkheidze, visited Sukhumi on 10 July and discussed this sensitive issue

which, if not resolved, might cause new armed hostilities. Reportedly, further talks are planned.

10. On 24 June, the State Duma of the Russian Federation adopted a resolution on the necessity of normalizing the border and customs regime on the Abkhaz part of the border of the Russian Federation. The Georgian Ministry of Foreign Affairs characterized this resolution as an example of gross interference in the domestic affairs of a sovereign State.

III. HUMANITARIAN SITUATION AND HUMAN RIGHTS

11. Humanitarian assistance to the most vulnerable civilians in Abkhazia, Georgia, including the internally displaced persons, was severely disrupted during the reporting period, first by the blockage of the main bridge over the Inguri River (see S/1998/375, paras. 15 and 28), and then by the resumption of armed hostilities in the Gali district in May.

12. The blockade of the bridge seriously impeded the delivery of humanitarian assistance to the most needy; forced the delay of distribution of roof kits and fertilizer to returnees by the Office of the United Nations High Commissioner for Refugees (UNHCR); hampered plans by the United Nations Children's Fund to strengthen its immunization programme; and, caused Acción Contra el Hambre (ACH) to reduce the number of recipients of daily food rations to 3,000.

13. Though regular humanitarian activities resumed on 1 May 1998, when the blockade of the bridge was lifted, programmes in support of returnees to the Gali district came to an abrupt halt when hostilities broke out in May. According to updated information, during and immediately after the May hostilities, some 40,000 persons, mostly spontaneous returnees permanently residing in the Gali district, fled across the Inguri River towards Zugdidi. Although hostilities subsided following the parties' signing, on 25 May, of the Protocol on a Ceasefire and Withdrawal of Armed Formations (see S/1998/497, para. 4), looting and burning of houses by Abkhaz militia and armed groups was widespread. UNHCR estimates that some 1,400 private homes were destroyed, including houses recently rebuilt with the assistance of the international community, at a cost of some $2 million. UNOMIG provided logistical support for UNHCR to visit the affected areas and assess the situation.

14. Conditions for those who remain in the Gali district, mostly elderly, have become extremely difficult. Food assistance to the district, which is being undertaken by the International Committee of the Red Cross and ACH, has been hampered by the renewed minelaying of some secondary roads making access to remote villages beyond the main road (known as the M-27) almost impossible. As a result, many beneficiaries remain without assistance. Accordingly, aid agencies have expressed their concerns regarding the situation to the Government of Georgia and to the Abkhaz authorities.

15. Given that the majority of spontaneous returnees to the Gali district again had to flee their homes, UNHCR's focus of operations for serving this population has shifted to the Zugdidi side, and all its international staff members have temporarily vacated the Sukhumi office. Nonetheless, that office, now operated

by local staff, is maintaining a liaison function. Similarly, due to the humanitarian crisis caused by the influx of internally displaced persons on the Zugdidi side, the United Nations Office for Coordination of Humanitarian Affairs has temporarily relocated its base for coordination activities in western Georgia from Sukhumi to Zugdidi.

16. The Human Rights Office in Sukhumi continued its work as mandated, although the recruitment of additional officers by the Office of the United Nations High Commissioner for Human Rights was delayed. On 12 July, the new Director of the office arrived.

IV. OPERATIONS OF THE UNITED NATIONS OBSERVER MISSION IN GEORGIA

17. In accordance with the arrangements described in my report of 10 June (S/1998/497, para. 13), UNOMIG has been conducting limited operations in the Zugdidi and Gali sectors, whereby patrols are undertaken in two mine-protected vehicles at all times and are limited to main roads connecting population centres and checkpoints of the CIS peacekeeping force. Its team bases remain closed and its observers operate from the Zugdidi and Gali sector headquarters (see map). The administrative headquarters have now been relocated from Pitsunda to Sukhumi, and only the transport workshop remains temporarily in Pitsunda. The joining of the Mission's administrative and military headquarters is expected to contribute positively to UNOMIG's effectiveness. The Mission maintains a Liaison Office in Tbilisi.

18. Rotation of military observers, which was suspended in the wake of the 19 February hostage-taking incident (see S/1998/375, para. 24) has now resumed with a view to bringing the strength of the mission to 98 military observers. As at 10 July, the Mission's strength stood at 81 observers (see annex).

19. The administrative difficulties with the Georgian and Russian authorities, which prevented the Mission from using its helicopter support (see S/1998/375, para. 23), have been resolved and the aircraft is being used to patrol inaccessible areas as well as for medical evacuation purposes. It will be recalled that efforts were under way to increase the Mission's mine- and ballistic-protected vehicle fleet. However, given the Organization's financial regulations, the contractual arrangements with the provider took several months to finalize. Such arrangements have now been concluded and the provider has advised us that the first set of vehicles will be produced in the next 90 days.

20. Council members will recall that security measures, such as a revision of UNOMIG's modus operandi and security arrangements, have already been taken by the Mission with the CIS peacekeeping force on both banks of the Inguri River and with the Georgian authorities in the Zugdidi sector. Nonetheless, and although to a reduced extent than previously, UNOMIG's personnel and property continued to be subjected to acts of violence. One such incident took place during the night of 30 April, when one of the Mission's safes was stolen from a guarded location at UNOMIG's previous administrative headquarters in Pitsunda. In addition to the Mission, the local Abkhaz authorities are conducting their own investigation. However, the perpetrators have not yet been identified.

21. The Mission's rapport with the population in the Gali sector has been good and the resumption of its patrolling was warmly welcomed by them. However, elsewhere in Abkhazia, a mass media campaign was launched against UNOMIG, particularly after the May events, thus creating anti-UNOMIG sentiment among the local Abkhaz population. In addition, various Abkhaz authorities initiated acts of harassment against the Mission. It is my Special Representative's assessment that these developments could endanger the security of the Mission's personnel and hamper UNOMIG's ability to implement its mandate. To counter such developments, the Mission has stepped up its media programme on both sides of the Inguri River.

22. In the Zugdidi area, furthermore, the mission has been criticized by members of the community of the internally displaced persons in the Zugdidi area, who seemed to believe that the observers had not done enough to help avoid the recent hostilities. Such sentiments are also directed against the CIS peacekeeping force and the Government of Georgia.

23. The weekly quadripartite meetings chaired by the Commander of the CIS peacekeeping force have continued during the reporting period. It will be recalled that these meetings bring together the Chief Military Observer of UNOMIG and representatives of the Georgian and Abkhaz police, militia and security services, and local administration to discuss security and other issues affecting both sides at the local level. While the Georgian side had rarely attended these meetings, following the May hostilities it has attended regularly.

24. UNOMIG continues to cooperate with United Nations programmes, non-governmental organizations and humanitarian agencies working in Abkhazia, Georgia. It regularly shares information with them and provides them with escorts on the M-27 when requested and when it is operationally feasible.

V. COOPERATION BETWEEN THE UNITED NATIONS OBSERVER MISSION IN GEORGIA AND THE COLLECTIVE PEACEKEEPING FORCES OF THE COMMONWEALTH OF INDEPENDENT STATES

25. To the best of its ability under the present circumstances, UNOMIG continues to observe the operations of the CIS peacekeeping force within the framework of the implementation of the 14 May 1994 Agreement. In a spirit of cooperation, UNOMIG and the force has held frequent and regular meetings to discuss matters affecting their respective activities and to agree on mutual assistance.

VI. SITUATION ON THE GROUND

A. General

26. Since I last reported to the Council (S/1998/497), the situation in the Zugdidi and Gali restricted weapons and security zones remains unsettled and tense. While the ceasefire brokered on 25 May is generally holding, sporadic incidents of exchange of fire and mine attacks have continued in the Gali

sector. Such attacks, many of which are seemingly orchestrated by armed groups operating from the Georgian side of the Inguri River, are directed largely against the CIS peacekeeping force and the Abkhaz authorities. One very serious incident took place on 12 July, when an unknown armed group ambushed a patrol of the CIS peacekeeping force, killing five soldiers and injuring three others. The burning of houses in the Gali district continued for some time following the May hostilities. However, it seems that, while in areas where armed groups were suspected to have operated, the majority of houses has been destroyed, in other locations where the local population cooperated with the Abkhaz authorities, the houses remained intact.

B. Security and restricted weapons zone

27. The Gali district appears to be under the effective control of the Abkhaz authorities. The Abkhaz militia have established posts along the Inguri River with a few checkpoints in the inner part of the district. The militia, who are drawn from throughout Abkhazia and are deployed without adequate logistic support and rations, tend to prey on the local population and the land to support themselves. Of late, and following UNOMIG's extensive reporting on the situation, the CIS peacekeeping force and the Abkhaz authorities have intervened and the looting appears to have diminished.

28. In the Zugdidi sector, a gradual reinforcement of forces belonging to the Georgian Ministry of Interior and the police of the Abkhaz Government-in-exile has been observed. UNOMIG assesses, however, that the posture of these forces is defensive.

29. Both sides continue to violate the 14 May 1994 Agreement. The Georgian authorities and the Abkhaz side persistently deny UNOMIG access to the heavy weapons storage sites; several incidents of restriction of movement have been reported; and movement of armoured vehicles into the security and restricted weapons zones and visits by personnel of the armed forces of both sides continue to be cited. UNOMIG's repeated protests of these violations have gone unheeded by both sides.

C. Kodori Valley

30. Council members will recall that, for security reasons, the Mission's patrolling to the Kodori Valley has been temporarily suspended. However, neither the CIS peacekeeping force nor the Abkhaz authorities have reported any violations of the 14 May 1994 Agreement.

VII. SOCIAL AND ECONOMIC ASPECTS

31. The economy in Georgia continues its steady recovery. This fiscal year, Georgia is expected to maintain the positive economic trend it has achieved in 1997 (S/1998/51, para. 31 and S/1998/375, para. 39) and all major macroeconomic indicators will most likely continue to be stable, including in particular a low inflation rate that should favour foreign investment. The only exception to

this positive trend is the delay in the conclusion of negotiations with the International Monetary Fund, which will delay payment to Georgia of some of the international loans due in 1998. However, it is anticipated that the delay will not have a significant impact on the Georgian economy, since the budget is becoming increasingly less dependent on disbursements of international loans to maintain internal stability and equilibrium.

32. Social conditions continue to be a major concern for the Georgian authorities. The payment of social benefits and access to social services are still limited, causing severe hardship for vulnerable groups, particularly the orphans and the elderly. The need to maintain equilibrium between public expenditures and internal revenue will hamper progress in this area in the near future.

33. In Abkhazia, however, economic conditions continue to deteriorate. The rich agricultural land of the Gali district, which used to feed most of Abkhazia and provide products for export, is not being worked, as the district is now virtually depopulated.

VIII. FINANCIAL ASPECTS

34. By its resolution 52/242 of 26 June 1998, the General Assembly appropriated an amount of $19,439,280 (gross), equivalent to $1,619,940 per month for UNOMIG for the period from 1 July 1998 to 30 June 1999. The assessment of these amounts is subject to the decision of the Security Council to extend the mandate of the Mission. In addition, in my report dated 18 June 1998 (S/1998/497/Add.1), I informed the Security Council that the financial implications for increasing the protected vehicle fleet of UNOMIG would be approximately $1.1 million.

35. Should the Security Council decide to extend the mandate of UNOMIG beyond 31 July 1998, as recommended in paragraph 41 below, the cost of maintaining the Mission until 31 January 1999 would be limited to the appropriation contained in General Assembly resolution 52/242. I shall report to the General Assembly on the additional requirements needed, if any, for the maintenance of the Mission beyond 31 July 1998.

36. As at 30 June 1998, unpaid assessed contributions to the UNOMIG Special Account amounted to $6.4 million. The total of outstanding assessed contributions for all peacekeeping operations at that date amounted to $1.5 billion.

IX. OBSERVATIONS

37. During the reporting period, my Special Representative, as well as the Russian Federation, in its capacity as facilitator, were forced to address one immediate crisis after another, caused by the lack of willingness on the part of both sides to renounce violence and seriously consider peaceful options for the resolution of the conflict. Some 40,000 people from the Gali district had to seek refuge for the second time on the other side of the Inguri River, and the

international community had to witness how its assistance and efforts literally went up in flames, when houses that had been constructed at a cost of more than $2 million out of UNHCR funds were deliberately set on fire. I deplore such reprehensible acts, whose motive appears to be to expel people from their home areas.

38. As the situation on the ground is tense and the risk of new confrontations is high, I have asked my Special Representative to make démarches to both sides to prevent the resumption of hostilities. He is also maintaining liaison with the parties in order to consider the organization of another high-level meeting in Geneva with a view of bringing the Geneva process back on track.

39. In his letter of 10 July 1998 (S/1998/633), the President of the Security Council informed me that the members of the Council supported the practical measures envisaged in my report of 10 June (S/1998/497) to strengthen the security of UNOMIG. He informed me that the members reiterated their deep concern regarding the security of the Mission. They also noted the measures already taken to improve security conditions to minimize the danger to mission personnel and to create conditions for the implementation of its mandated tasks, while underlining the need to continue to make further arrangements in this field. In this regard, and bearing in mind that the self-protection unit option was not accepted by the Abkhaz side and that neither party supported the option that UNOMIG be reduced to the minimal possible presence, I have instructed my Special Representative and the Chief Military Observer to keep the matter under constant review.

40. In this context, I condemn attacks against peacekeepers of the United Nations and the CIS and reiterate that protection of unarmed United Nations military observers rests with the parties. Both sides still have to make substantial efforts to contain the threat on the ground. Activities in the Gali sector by armed groups, who operate from the Georgian side of the Inguri River and whose attacks against the Abkhaz authorities and the CIS peacekeeping force inevitably affect the Mission's operations, require a determined effort by the Georgian authorities to contain them. At the same time, the Abkhaz side must do much more than it has done to protect the Mission elsewhere in Abkhazia and the recent harassment campaign launched against UNOMIG there will only exacerbate the situation on the ground.

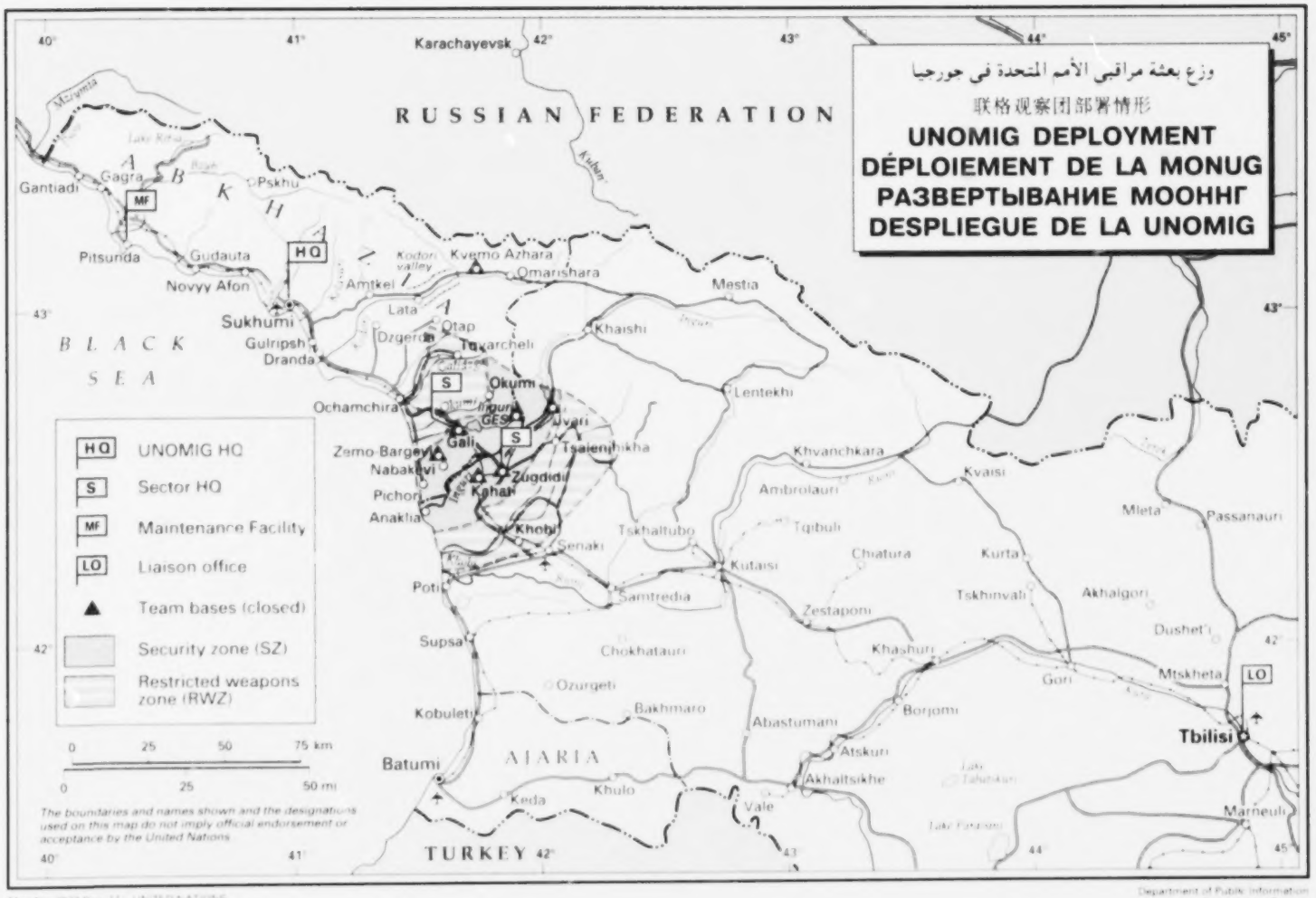
41. During the past six months, since the Council last extended the Mission's mandate, UNOMIG's ability to operate smoothly has been further hampered. Nevertheless, it has been proven time and again that its presence is essential. Not only does the Mission's presence continue to be a stabilizing factor in the area and to provide useful support for the political process, but it also helps to create a sense of confidence and security among the local population of the Gali district, to which most of the refugees and internally displaced persons are expected to return, and to prevent further abuse of the population by Abkhaz militia and armed groups. Accordingly, I recommended that the Security Council extend the mandate of the Mission for a further period of six months terminating on 31 January 1999, subject to a review by the Council of the mandate of UNOMIG in the event of any changes that might be made in the mandate or in the presence of the CIS peacekeeping force.

42. In conclusion, I should like to take this opportunity to thank my Special Representative, Mr. Liviu Bota, and all the civilian and military personnel of UNOMIG, for their continued dedication and perseverance in carrying out, under difficult and often dangerous conditions, the tasks entrusted to them by the Security Council.

Annex

Composition of United Nations Observer Mission in Georgia as at 10 July 1998

Country	Military observers
Albania	1
Austria	4
Bangladesh	9
Czech Republic	4
Denmark	5
Egypt	3
France	0
Germany	9
Greece	4
Hungary	5
Indonesia	4
Jordan	5
Pakistan	6
Poland	3
Republic of Korea	3
Russian Federation	3
Sweden	4
Switzerland	3
Turkey	0
United Kingdom of Great Britain and Northern Ireland	1
United States of America	2
Uruguay	3
Total	81



Map No. 3837 Rev. 17 UNITED NATIONS
July 1998

Department of Public Information
Cartographic Section

UNITED
NATIONS

S

Security Council

Distr.
GENERAL

S/1998/647/Add.1
28 July 1998

ORIGINAL: ENGLISH

REPORT OF THE SECRETARY-GENERAL CONCERNING THE SITUATION IN ABKHAZIA, GEORGIA

Addendum

1. Following the issuance of my report of 14 July 1998 concerning the situation in Abkhazia, Georgia (S/1998/647), the second high-level meeting between the Georgian and Abkhaz sides was held at Geneva, from 23 to 25 July 1998, under the chairmanship of my Special Representative, Mr. Liviu Bota. On 25 July both sides adopted the attached concluding statement (see annex).

2. Also attached is a statement made on behalf of the group of Friends of the Secretary-General accompanying the concluding statement (see appendix).

98-21987 (E) 280798 280798

/...

Annex

[Original: Russian]

Concluding statement on the results of the second meeting of the Georgian and Abkhaz sides, held at Geneva from 23 to 25 July 1998

1. From 23 to 25 July 1998 the second meeting of the Georgian and Abkhaz sides took place in Geneva under the auspices of the United Nations, with the participation of representatives of the Russian Federation, in its capacity as facilitator, the Organization for Security and Cooperation in Europe (OSCE), and the States belonging to the group of Friends of the Secretary-General, namely France, Germany, the Russian Federation, the United Kingdom and the United States of America, as observers. Representatives of the United Nations Development Programme (UNDP), the Office of the United Nations High Commissioner for Refugees (UNHCR), and the Office for the Coordination of Humanitarian Affairs (OCHA), also participated in the parts of the discussion relating to their work.

2. During the meeting an exchange of views took place on the following agenda items:

- Review of the state of the negotiations on the main aspects of a comprehensive settlement of the conflict and identification of areas where concrete political progress could be made;
- Elaboration of effective mechanisms for preserving the ceasefire regime and concrete guarantees of the non-resumption of hostilities;
- Problems of the return of refugees and displaced persons;
- Efforts in the economic, humanitarian and social areas.

3. The participants at the meeting renewed their support for the proposals of the Secretary-General of the United Nations to strengthen the involvement of the United Nations in the peacekeeping process aimed at achieving a comprehensive political settlement. They recognize that the process begun on the initiative of the Secretary-General is continuing and should be stepped up.

4. The parties welcomed the beginning of the implementation of the programme of action and the work of the machinery on which agreement had been reached at the previous meeting in Geneva, including the establishment of the Coordination Council and the three working groups within its framework. At its meeting on 18 December 1997, the Coordination Council adopted the statute for its operation.

At the same time it was noted that the machinery established in Geneva has not yet been fully activated. Several key provisions of the concluding statement adopted in Geneva and of decisions of the Coordination Council have

still not been implemented. The parties indicated the need for the full implementation of prior decisions.

5. The Special Representative of the Secretary-General of the United Nations for Georgia, the representatives of the Russian Federation, as facilitator, OSCE, and the member States of the group of Friends of the Secretary-General expressed concern that despite energetic efforts to intensify the peace process, the parties are still far from agreement on key aspects of a settlement. They stressed that the major responsibility for resolution of the problems between the parties lies with the parties to the conflict themselves. They called upon the parties to the conflict to refrain from any action which might undermine the efforts which are being undertaken, to do everything possible to support the peace process, and to demonstrate the necessary political will so that concrete results can be achieved on fundamental issues.

6. The participants stressed the importance of bilateral contacts and direct dialogue between the parties at various levels and in various spheres, including the work of the Bilateral Joint Coordination Commission on Practical Issues, which are an integral part of the peace process and must be supported. The Special Representative of the Secretary-General for Georgia, the Russian Federation, OSCE and the group of Friends of the Secretary-General reaffirmed that they will continue to render all possible assistance to the parties in achieving mutually acceptable agreements.

7. The parties reaffirmed their adherence to the Tbilisi Declaration of 14 August 1997, in particular:

- the determination to put an end to the conflict which has divided them and to restore peaceful relations and mutual respect;

- the conviction that the time has come to embark on a policy of peace and well-being and to act jointly with dignity and mutual tolerance in a spirit of compromise and reconciliation;

- the commitment not to resort to the use of force to resolve the problems dividing them and not under any circumstances to permit a renewal of bloodshed. Any differences will be resolved exclusively by peaceful and political means, through negotiations and consultations.

8. The participants at the meeting are seriously concerned about the situation with regard to security in the conflict zone, which has recently sharply deteriorated. The parties gave their assessments of the events which have taken place in the security zone, and exchanged views on ways of resolving the existing situation. Consultations on these issues will be continued. (The positions of the sides are annexed.)

9. The parties stressed the need for the immediate implementation of the decision taken by the Coordination Council to elaborate a mechanism in which the representatives of the sides, the United Nations Observer Mission in Georgia (UNOMIG) and/or the Collective Peacekeeping Forces of the Commonwealth of Independent States ("the CIS peacekeeping force") might participate for the investigation and prevention of violations of the Moscow Agreement on a

Ceasefire and Separation of Forces of 14 May 1994 and of subversive terrorist acts carried out in the conflict zone.

10. The parties again reaffirmed their agreement to refrain from hostile propaganda towards each other and to take measures to promote the establishment of an atmosphere of mutual trust and understanding. The participants at the meeting gratefully acknowledged the invitation of the Government of Greece to hold a special meeting of the parties this year in Athens to elaborate measures to strengthen mutual trust and understanding as envisaged in the Protocol of the third session of the Coordination Council.

11. The parties again reaffirmed their previous commitment regarding the right of refugees and displaced persons to voluntary return to the places of their former permanent residence.

They held a comprehensive discussion of the practical issues linked to the return of the refugees and decided to continue work on these questions. (The position of the sides are annexed.)

12. The parties reaffirmed their commitment to ensuring the freedom of movement and security of humanitarian aid workers so that they can gain access to those in need and provide assistance to them.

13. The participants at the meeting noted the importance of coordination of the activities of UNOMIG and the CIS peacekeeping force for the stabilization of the situation in the conflict zone and for the prevention of armed conflicts.

ANNEX

Positions of the sides on paragraph 8

The position of the Georgian side

The Georgian side condemns the hostilities and acts of violence which took place in the Gali district in May 1998, as a result of which, as is noted in the report of the United Nations Secretary-General (S/1998/647), approximately 40,000 people from the Gali district had to seek refuge for the second time on the other side of the Inguri River, and the international community had to witness how its assistance and efforts went up in flames, when houses that had been constructed at a cost of more than $2 million out of UNHCR funds were deliberately set on fire in order to expel people from their home areas.

The Georgian side believes that these actions are a manifestation of a new wave of ethnic cleansing directed at the Georgian population of Abkhazia.

It notes with regret that the situation in the Gali district today still remains unstable and tense.

The position of the Abkhaz side

As a result of the armed conflict provoked by the Georgian side in May 1998 in the Gali district of Abkhazia, and also of the continuing illegal actions of the 'White Legion' and 'Forest Brothers' terrorist and subversive groups, and of the continued laying of mines and other acts of violence, causing casualties first and foremost among the Abkhaz militia and the peacekeeping force, and also among local inhabitants, refugees and displaced persons, UNOMIG personnel and other international personnel working in Abkhazia, the situation in the region has deteriorated and is a cause for serious concern.

Positions of the sides on paragraph 11

The position of the Georgian side

The Georgian side believes that certain conditions are necessary for the implementation of the process of the speedy return of the refugees and displaced persons. To this end it proposed the establishment of a working group with the participation of representatives of the sides, the United Nations, the Russian Federation, and the member States of the group of Friends of the Secretary-General to formulate and implement a plan for the voluntary and safe return, with dignity, of the refugees and displaced persons, first and foremost to the Gali district (within the old borders).

At the same time, measures for international guarantees of the continuity of the process of the return of refugees and displaced persons and for ensuring their safety in the places of their return should be formulated and implemented.

In immediate and direct linkage with the process of the stable and organized return of the refugees and displaced persons, first and foremost to the Gali district (within the old borders), measures for the economic rehabilitation of the region and the normalization of the border and customs regimes should be implemented.

At the same time, measures should be undertaken to invite international organizations and donor countries to allocate resources for the process of the return of the refugees and displaced persons and for the restoration of the economy of Abkhazia, as recommended by the United Nations Needs Assessment Mission.

The Georgian side stressed that the real return of refugees and displaced persons is possible only on condition of the precise determination of the territory and time-frame for their return, concrete measures guaranteeing the security of the returnees and the continuity of this process, and also mechanisms for its implementation.

The refusal of the Abkhaz side to accept those necessary conditions points to the purely declarative nature of its statements concerning agreement to the return of the refugees and displaced persons.

The position of the Abkhaz side

When the process of the organized return of the refugees to the Gali district begins, measures shall be taken to lift the restrictions established by the decree of the Government of the Russian Federation of 19 December 1994 and by the decision of the Heads of State of CIS of 19 January 1996. In this connection, the Abkhaz side believes that there is a need for the speedy signing of the draft agreement on peace and guarantees for the prevention of armed confrontation and protocol on the return of refugees to the Gali district and measures for economic rehabilitation prepared during the June Georgian-Abkhaz consultations.

Appendix

Statement on behalf of the group of Friends of the Secretary-General

The Geneva Process did survive the tragic events of May 1998. This is the major outcome of this meeting.

However, we are unfortunately still far from a political settlement of the conflict. It is essential that the Parties commit themselves to the search for a political solution within the framework of the United Nations, making use of the mechanism established in November 1997.

The international community, and the group of Friends, expect the parties to come to terms. Wherever the Friends can be helpful in these efforts, they stand ready.

It is important to start the return of refugees immediately and under safe and secure conditions.

The Friends reiterate their deep concern regarding the security of the United Nations Observer Mission in Georgia and underline the need to continue to make further arrangements in this field. In this regard, they urge the Secretary-General of the United Nations to keep the matter under constant review, in particular the self-protection unit and other options as appropriate. They call on the parties and the Russian Federation to support the continuation of the peacekeeping operation of the peacekeeping forces of the Commonwealth of Independent States in order to secure favourable and peaceful conditions for the continuation of negotiations to achieve a comprehensive settlement of the conflict.

We demand that the parties provide increased security for the United Nations Observer Mission in Georgia and other international personnel. We welcome the inclusion in the concluding statement of a provision on freedom of movement for humanitarian aid workers.

The Friends thank the Special Representative of the Secretary-General for steering this meeting and they look forward to our next meeting within the Geneva framework.

UNITED NATIONS **S**

Security Council

Distr.
GENERAL

S/1998/648
16 July 1998
ENGLISH
ORIGINAL: ENGLISH, FRENCH AND RUSSIAN

France, Germany, Italy, Japan, Portugal, Russian Federation, Sweden, United Kingdom of Great Britain and Northern Ireland and United States of America: draft resolution

The Security Council,

Recalling all its previous relevant resolutions concerning the conflicts in the former Yugoslavia, in particular resolutions 1168 (1998) of 21 May 1998 and 1174 (1998) of 15 June 1998,

Recalling also the General Framework Agreement for Peace in Bosnia and Herzegovina and the Annexes thereto (collectively the Peace Agreement, S/1995/999, annex),

Taking note of the conclusions of the Peace Implementation Conference in Bonn on 9 and 10 December 1997 (S/1997/979, annex) and of the declaration of the Peace Implementation Council Steering Board in Luxembourg on 9 June 1998 (S/1998/498, annex),

Noting also the recommendations of the High Representative of 9 April 1998 (S/1998/314),

Having considered the reports of the Secretary-General of 12 March 1998 (S/1998/227 and Corr.1 and Add.1) and 10 June 1998 (S/1998/491), in particular his observations and planning regarding the issue of legal reform,

1. Approves the establishment by the United Nations Mission in Bosnia and Herzegovina (UNMIBH) of a programme to monitor and assess the court system in Bosnia and Herzegovina, as part of an overall programme of legal reform as outlined by the Office of the High Representative, in the light of the Peace Agreement, the recommendations of the Peace Implementation Conference in Bonn and the Peace Implementation Council Steering Board in Luxembourg, and the recommendations of the High Representative;

2. Requests the authorities in Bosnia and Herzegovina to cooperate fully with, and instruct their respective responsible officials to provide their full support to, the court monitoring programme;

3. Requests the Secretary-General to keep the Council regularly informed on the implementation of the programme to monitor and assess the court system in Bosnia and Herzegovina through his reports on the implementation of the mandate of UNMIBH as a whole;

4. Decides to remain seized of the matter.

UNITED NATIONS **S**

Security Council

Distr.
GENERAL

S/1998/649
15 July 1998
ENGLISH
ORIGINAL: RUSSIAN

LETTER DATED 15 JULY 1998 FROM THE PERMANENT REPRESENTATIVE OF GEORGIA TO THE UNITED NATIONS ADDRESSED TO THE PRESIDENT OF THE SECURITY COUNCIL

I have the honour to transmit to you herewith the text of a statement issued by the Ministry of Foreign Affairs of Georgia concerning the tragic incident that occurred on 12 July 1998 in Gali district in Abkhazia, Georgia (see annex).

I should be grateful if you would have the text of this letter and its annex circulated as a document of the Security Council.

(Signed) Peter CHKHEIDZE
Ambassador
Permanent Representative

Annex

[Original: English]

Statement of the Ministry of Foreign Affairs of Georgia

It became known to us on 12 July 1998 that near Pichori village in the Gali region, an armoured patrol car of the Russian peacekeeping forces was blown up by a mine, resulting in five killed and three wounded military servicemen. In connection with the above fact, General S. Korobko, Commander-in-Chief of the Commonwealth of Independent States peacekeeping contingent in the conflict zone, made a protest statement on 13 July, in which he accused the Georgian side of breaching the obligations envisaged in the Gagra Protocol.

In connection with the said fact and the statement made about it by the Commander-in-Chief of the peacekeeping forces, the Ministry of Foreign Affairs of Georgia submits the following statement:

The Ministry of Foreign Affairs of Georgia expresses its deep concern about the incident and extends its condolences to the families of the victims. It holds that such actions, being aimed at the failure of the peaceful settlement of the conflict, strain the situation in the region even more, a result fully in contradiction of our country's position and interests.

At the same time, we consider it expedient to express our anxiety in connection with General S. Korobko's irresponsible statement on the incident. It is surprising under the circumstances that the General is unfoundedly blaming the Georgian side for carrying out a terrorist act in the security zone, which is beyond Georgia's control and for which the full responsibility lies with the peacekeeping forces themselves.

If, along with the statement made by General S. Korobko, we take into account his recent statement on the plans of the Russian peacekeepers to implement the so-called strict measures jointly with the Abkhaz militia, which, in his own words, should not be perceived by Georgia as a genocide of the Georgian population, both can be, on the whole, assessed as part of a uniform, pre-planned provocation against Georgia.

It is very piteous that the above fact and General S. Korobko's statements are, willingly or unwillingly, in line with the interests of the forces displeased by the timely and peaceful settlement of the Abkhazian conflict, the unconditional return of the refugees and the rehabilitation of their private farmsteads and with the interests of those that have provoked the recent developments in the Gali region.

It is disheartening that such destructive actions have always accompanied the activation of the peaceful negotiations and that, against the background of the ongoing talks in Moscow on the Abkhazian conflict settlement issues, the developments in the conflict zone reaffirm the provocative nature of such terrorist acts.

Tbilisi, 13 July 1998

UNITED
NATIONS

S

Security Council

Distr.
GENERAL

S/1998/650
15 July 1998
ENGLISH
ORIGINAL: RUSSIAN

LETTER DATED 15 JULY 1998 FROM THE PERMANENT REPRESENTATIVE OF GEORGIA TO THE UNITED NATIONS ADDRESSED TO THE PRESIDENT OF THE SECURITY COUNCIL

I have the honour to transmit to you herewith a copy of a letter from the President of Georgia concerning recent events in Abkhazia, Georgia (see annex).

I should be grateful if you would have the text of this letter and its annex circulated as a document of the Security Council.

(Signed) Peter CHKHEIDZE
Ambassador
Permanent Representative

98-20722 (E) 150798 150798

/...

Annex

(Original: English)

Letter dated 11 July 1998 from the President of Georgia addressed to the President of the Security Council

On behalf of the Government of Georgia and the Georgian people, I take this opportunity to express my gratitude for the support and assistance provided by the United Nations in the settlement of the conflict in Abkhazia. In the light of the recent tragic developments in the Gali district, I feel compelled to draw your attention to the current disturbing situation in Abkhazia.

At the end of May 1998, separatist Abkhaz forces carried out military actions against the civilian Georgian population in the Gali district. These actions resulted in the injury and death of dozens of people. The Abkhaz separatists forced thirty-five thousand people to flee their homes and destroyed their houses. Regrettably, the infringement of the fundamental rights of the Georgian population continues to this day.

These events occurred at a time when, through concerted effort, the Geneva process gained momentum, the activities of the coordinating bodies became more effective, the programme of economic rehabilitation of the Abkhaz region took shape, the foundation was laid for raising the level of bilateral talks and preconditions were specified for attaining political accord. As part of this accord, the Georgian Government has set forth concrete and constructive proposals regarding the nature of the relationship between the autonomy and the centre.

The latest occurrence of the policy of ethnic cleansing conducted by the separatists was intended to reverse these positive developments. This policy manifested itself in mass killings, rape and the plunder of the Georgian population. The separatists were greatly assisted in their criminal activities by foreign armed bands.

There can be no doubt that the illegal activities of the Abkhaz separatists were directed at the undermining of the recent negotiations, including the Geneva process. The acts perpetrated by the Abkhaz separatists blatantly violate the resolutions of the United Nations Security Council, the final documents of the Organization for Security and Cooperation in Europe Budapest and Lisbon summits and the accords signed by the parties to the conflict.

The Government of Georgia made every effort to avert the eruption of a wide-scale military conflict in Georgia. The decision of the Georgian Government not to use armed force to stop the hostilities launched by the Abkhaz separatists brought to a minimum the possible tragic consequences of their actions.

The events in the Gali district must be qualified as a continuation of ethnic cleansing/genocide of the Georgian population. The Organization for Security and Cooperation in Europe Budapest and Lisbon summits have already

assessed the acts committed in Abkhazia, Georgia. There is every reason to state that the situation in Abkhazia, Georgia, has become a threat, not only to Georgia, but to the entire international community. That necessitates the need to support the role of the United Nations in the peace process and to determine effective methods of mediation.

In order to expedite the peace process and settle the political crisis, the Government of Georgia considers the following to be particularly urgent:

- Increasing the capabilities and personnel of the United Nations peacekeeping force;
- Development and implementation of an effective mechanism for the immediate return and safe return of displaced persons and refugees, and the rehabilitation of their property;
- Expansion of the activities of the United Nations Observer Mission and action to ensure their safety;
- Drawing up of an agreement among the five Security Council members on the security of the Caucasus region, the settlement and international monitoring, as well as on the prevention of armed confrontation and the establishment of the demilitarized zone on the territory of the Abkhazian Autonomous Republic.

In order to achieve a settlement quickly, it is also extremely important that, within the framework of the Geneva talks, a meeting between the president of the parties and the Minister of State Council, a head of the political action and other leaders be held.

The role of Russia in the conflict settlement process is of great importance. Utilization of the potential of the Commonwealth of Independent States peacekeeping forces, as a whole, is necessary.

I do hope that the United Nations Observer Mission, the Secretary-General of the United Nations, the Security Council and the members of the Security Council will do everything within their power to help Georgia get out of the deadlock.

We urge that the international community not allow the situation in the Gali region and the attack on the Abkhaz autonomous Republic capital to exceed the level of a grave crime against peace.

In the light of the above, we appeal to you to convene the meeting of a Security Council committee qualifying the acts of armed separatists against the Georgian population as grave international crimes.

I am confident that this request will appear duly address the reality of the current situation and that all necessary will be taken to avoid further tragic developments.

(Signed) Eduard SHEVARDNADZE

UNITED
NATIONS

A S

General Assembly
Security Council

Distr.
GENERAL

A/52/984
S/1998/651
15 July 1998

ORIGINAL: ENGLISH

GENERAL ASSEMBLY
Fifty-second session
Agenda item 61
QUESTION OF CYPRUS

SECURITY COUNCIL
Fifty-third year

Letter dated 15 July 1998 from the Permanent Representative of Cyprus to the United Nations addressed to the Secretary-General

Upon instructions from my Government and further to my letter dated 9 July 1998 (A/52/981-S/1998/631), I have the honour to draw your attention to new violations of the national airspace of the Republic of Cyprus and of the flight information region of Nicosia by military aircraft of the Turkish Air Force, recorded on 10 July 1998.

On that day, a small civilian aircraft accompanied by six military F-16 aircraft of the Turkish Air Force entered the Nicosia flight information region and violated the airspace of the Republic of Cyprus. The civilian aircraft landed at the illegal airport of Tymbou, while the six military aircraft flew back on a northerly route towards Turkey.

As stated in my previous letters, such intrusions into the Nicosia flight information region and the national airspace of the Republic of Cyprus are in violation of international air traffic rules. At the same time, they are in contravention of the provisions of the Security Council resolutions on Cyprus, which state that such overflights increase political tension on the island and undermine efforts towards achieving a final settlement.

On behalf of the Government of the Republic of Cyprus, I wish to protest strongly against these new provocative acts by Turkey, a Member State of the United Nations, against the sovereignty and territorial integrity of the Republic of Cyprus. These acts are in complete disregard of international law, the Charter of the United Nations and the relevant decisions of the Organization on the question of Cyprus.

I should be grateful if you would have the present letter circulated as a document of the General Assembly, under agenda item 61, and of the Security Council.

(Signed) Sotirios ZACHREOS
Ambassador, Permanent Representative

98-20728 (E) 160798